

DOCUMENT RESUME

ED 352 498

CE 062 641

TITLE Veterans' Employment and Education. Hearing on S. 2515, Veterans' Employment and Training Act of 1992 and S. 2647, Veterans' Readjustment Benefits Improvement Act of 1992 before the Committee on Veterans' Affairs. United States Senate, One Hundred Second Congress, Second Session.

INSTITUTION Congress of the U.S., Washington, D.C. Senate Committee on Veteran's Affairs.

REPORT NO Senate-Hrg-102-864

PUB DATE 13 May 92

NOTE 199p.

AVAILABLE FROM U.S. Government Printing Office, Superintendent of Documents, Congressional Sales Office, Washington, DC 20402.

PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC08 Plus Postage.

DESCRIPTORS *Educational Needs; *Employment Programs; Federal Legislation; *Federal Programs; Hearings; *Job Training; Military Personnel; Postsecondary Education; Student Financial Aid; Training Allowances; Unemployment; *Veterans Education

IDENTIFIERS Congress 102nd; Proposed Legislation

ABSTRACT

This document records the oral and written testimony of witnesses who testified concerning the Veterans' Employment and Training Act of 1992 and the Veterans' Readjustment Benefits Improvement Act of 1992. It also includes the texts of the bills. Witnesses included representatives of veterans' organizations, disabled veterans' groups, the U.S. Departments of Labor and Veterans' Affairs, a state department of labor, and rehabilitation service agencies. The witness from the Department of Veterans' Affairs cited the following reasons why the department did not support the pending legislation: it did not feel that the legislation would provide long-term help for veterans; previous similar legislation resulted in job training for jobs that did not exist; and it would increase coordination problems between the departments of Veterans' Affairs and Labor. Other witnesses supported the proposed legislation in order to address the problems of the many unemployed veterans and their training needs. (KC)

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VETERANS' EMPLOYMENT AND EDUCATION

ED352498

HEARING BEFORE THE COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE ONE HUNDRED SECOND CONGRESS

SECOND SESSION

ON

S. 2515, VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992 AND S.
2647, VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF
1992

MAY 13, 1992

Printed for the use of the Committee on Veterans' Affairs



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59-894

WASHINGTON : 1992

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-039531-3

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VETERANS' EMPLOYMENT AND EDUCATION

WEDNESDAY, MAY 13, 1992

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in room SR-418, Russell Senate Office Building, Hon. Dennis DeConcini (Acting Chairman of the Committee) presiding.

Present: Senators DeConcini, Daschle, and Thurmond.

OPENING STATEMENT OF SENATOR DeCONCINI

Senator DeCONCINI. The Senate Committee on Veterans' Affairs will come to order.

Good morning, everyone. I would like to thank Senator Cranston and express my appreciation for his support of the hearing this morning, permitting me to chair it, on veterans' employment and education. I want to also thank my staff and the Veterans' Affairs Committee staff for their cooperation. I welcome all of you today to the hearing of the Committee on Veterans' Affairs, and I am pleased to see the significant interest in the hearing today.

I wish to publicly extend my gratitude to all of those who helped with the hearing today. Your cooperation is greatly appreciated. I am aware of it, having been advised by my staff just how much time has been put into putting together the witness list and the hearing.

To open today's hearing, I would like to quote a recent statement by Constance Newman, Director of the U.S. Office of Personnel Management, which reflects my own philosophy and why this legislation is before us today. Mrs. Newman stated, "The Federal Government owes it to its veterans to offer them tangible jobs." And that really says it in a nutshell.

This hearing is on the Veterans' Employment and Training Act of 1992, also on Senator Cranston's bill, the Veterans' Readjustment Benefits Improvement Act of 1992. There are also related bills not on the agenda today; my Desert Storm Serviceperson's Readjustment Act of 1992.

I introduced the latter bill in February of this year. If passed, it will restore full purchasing power of the GI Bill educational assistance to Persian Gulf War veterans; increase the full-time limit on educational assistance payments; tie the GI Bill to the Consumer Price Index; and provide the same benefits to all Reserve and National Guard members activated during the Persian Gulf War.

On April 2, 1992, I introduced the Veterans' Employment and Training package, cosponsored by Senators Mitchell, Graham,

Akaka, and Daschle, in order to respond to the plight of nearly 1.3 million currently unemployed veterans and another 1.3 million soon to be veterans who will leave the military in the next 3 years. Figures vary, but the best estimate I can put together indicates that approximately 8.4 million American men and women, including some 917,000 veterans, are unemployed. To make matters worse, we know that over the next 5 years our Armed Forces will discharge a minimum of 400,000 military personnel and lose another 300,000 or so per year through attrition.

Many of the soon-to-be separated men and women entered the Armed Forces because they were promised a satisfying, full-length career. This promise has now been broken, and many careers will be cut short through no fault of the individuals involved. As a matter of conscience, we owe these men and women help in their transition from military back to civilian life.

The Veterans' Employment and Training Act of 1992 is a revised and extended version of the Emergency Vietnam Veterans Job Training Act of 1983, later known as the Veterans Job Training Act. The bill would provide immediate incentives to employers to hire and train veterans in fields leading to stable, long-term employment.

This bill would authorize a 5-year employment and training program. Employers who hire and train veterans under this act will be eligible for payments of up to \$5,000 per year to defray the costs of such training. Veterans participating in an approved job training program, including apprenticeship programs, may also receive up to \$1,500 for work-related expenses such as special clothing, tools, et cetera, cars, bus fare, and even child care.

More than 2 million veterans are disabled. In many cases, unemployed disabled veterans could work if the worksite were adapted to their special needs or if specialized tools were required or equipment could be provided, they could be a working part of our work force. This bill, therefore, includes a special incentive of up to \$3,000 for employers hiring disabled veterans to make worksite modifications.

An estimated one-third of all homeless single men are veterans, and 80 to 85 percent of homeless veterans are unemployed. On any given night, a deplorable 110,000 to 250,000 veterans are estimated to be homeless. To address the employment problems of these veterans, I have included \$5 million to establish a pilot project to provide employment services—including counseling and development of job placement skills—to these particular veterans.

I fully recognize that veterans represent only one part of our Nation's overall unemployment problems. In Arizona, thousands of civilian workers in the aerospace industry have lost their jobs as a result of defense budget cuts. Nationwide, estimates indicate that over one-half million positions may be eliminated from the defense sector; many of these positions are held by veterans. Something must be done for all of these individuals.

However, I believe the Nation owes special consideration to those who have served in our Armed Forces, especially those who will forever bear the scars of that great personal sacrifice and dedication to our principles in this country. There is another reason why we should provide the resources and programs necessary to get

these discharged men and women on their feet—it is cost-effective, in my opinion.

Veterans, as a group, have a very high potential for benefiting from the program of job training. Military experience has provided them with discipline, drive, and energy; they are eager to make their own way. All they need is a boost to get them going and get started. And that is what my colleagues and I are proposing in this legislation.

In closing, I want to express my thanks once again to the witnesses for coming here today. We will receive your testimony. We would ask that you summarize it, please, because we have a long list. Your full statements will be included in the record.

Before we proceed with panel one, I will recognize my colleagues for any opening statements.

Senator Daschle.

OPENING STATEMENT OF SENATOR DASCHLE

Senator DASCHLE. Mr. Chairman, I have no opening statement. I commend you for your leadership and I applaud you for taking the time and effort you have on this issue. This Committee is challenged with some very serious problems as we look to unemployment in the future, and I think the training aspect of this legislation is a critical element. With nearly a million people unemployed as veterans, there is a real opportunity here—as well as a real challenge—to come to grips with the tools that we have and find ways in which to address this problem more successfully. Your bill is a significant downpayment in that effort and I applaud you for it.

Senator DECONCINI. Senator Daschle, thank you very much, and thank you for your leadership and participation in this Committee. We worked together on Agent Orange and a number of subject matters, and I am grateful for that assistance.

I have a prepared statement from Senator Cranston that I would like to place in the record.

[The prepared statement of Chairman Cranston appears on p. 110.]

Senator DECONCINI. Our first panel represents the Department of Veterans Affairs. The lead witness is Chief Benefits Director, D'Wayne Gray, and he is accompanied by Mr. Grady Horton, Mr. Dennis Wyant, and Mr. Dean Gallin. I am delighted that you gentlemen are here today. We will start with you, Mr. Gray.

STATEMENT OF D'WAYNE GRAY, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY GRADY HORTON, DIRECTOR, EDUCATION SERVICE; DENNIS WYANT, DIRECTOR, VOCATIONAL REHABILITATION SERVICE; AND DEAN GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL

Mr. GRAY. Thank you, Mr. Chairman, and Members of the Committee. We appreciate the opportunity to be with you this morning to provide the views of the Department on the two pieces of legislation at hand.

Mr. Chairman, with regard to S. 2515, the proposed Veterans' Employment and Training Act of 1992, as you know, I'm sure, the

Department of Veterans Affairs both appreciates and shares your interest, and that of the entire Committee, in promoting and facilitating the employment of veterans. Unfortunately, however, we cannot support this particular proposal.

This legislation derives from the Veterans' Job Training Act. That act, which expired on June 30, 1991, was not, in our opinion, particularly effective in securing long-term employment for eligible wartime veterans who had been unemployed for a substantial period. We can't find a reason to believe that this modification would produce better results.

We acknowledge the transition and unemployment difficulties faced by veterans being discharged during this period of downsizing by the military, and we are committed, with you, to efforts to address these difficulties. We do contribute to some of the solution with on-going programs.

The education and on-the-job training assistance provided to veterans through the Montgomery GI Bill and to eligible veterans with service-connected disabilities under our Chapter 31 Vocational Rehabilitation Program, together with programs such as the Job Training Partnership Act and the broad range of outreach and transition assistance being provided by the Department of Veterans Affairs, in conjunction with the Departments of Labor and Defense, are having a positive effect on helping veterans secure employment.

You also requested, Mr. Chairman, our comments on S. 2647. This measure covering educational assistance programs, vocational rehabilitation and pension programs, and job training and placement services for veterans, contains many provisions with which we agree. We cannot support the measure as drafted in toto, however, since it includes certain provisions that we find unnecessary.

Detailed comments on both these pieces of proposed legislation are provided, of course, in the full statement, which the Chairman indicated will be included in the record.

However, I am advised that, if passed, S. 2647 would be subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990 and would involve substantial costs that are not offset by the other provisions of the bill. I have not been able to find offsets in my own budget which I think should be made in order to accommodate the provisions in the proposed legislation.

We thank you again, Mr. Chairman, for this opportunity. I have with me a brain trust that does understand in substantial detail both the legislation being proposed and its predecessor legislation. Mr. Horton is the Director of our Education Service, Dr. Wyant is the Director of the Vocational Rehabilitation Service, both of which provide direct service to veterans in education and training; and Mr. Gallin is the Deputy Assistant General Counsel who is involved in our legislative efforts. We will try, sir, to answer your questions and those of the Committee.

[The prepared statement of Mr. Gray appears on p. 115.]

Senator DeCONCINI. Mr. Gray, thank you. Let me say that I am, of course, disappointed by your statement, and I did look at it, but I appreciate you have to tell us what you feel. That is why you are here with your people; we don't want you to come here and not give us your views of it.

Mr. Gray, in light of the downsizing of the military and the current recession, what plans is the Department making in order to meet the growing unemployment? What is on the shelf or in the think tank or what have you back at the Department?

Mr. GRAY. The prime effort that we are participating in is the transition assistance program led by the Department of Labor and participated in by the Department of Defense. Together with those other two Departments, we are making every effort—and having some success—in reaching the new veterans, those who are being discharged from the armed services today. Our plans are to increase that effort within capabilities to where we reach essentially every veteran. Our ideal is to reach every veteran before he becomes a civilian so that he will be aware of the programs of all three of the Departments to help him in his transition.

We want to build a partnership with these young men and women while they are young men and women, as they are becoming veterans, that will last throughout the rest of their lives and help them to succeed.

Senator DECONCINI. Mr. Gray, is it true that that transition program is primarily a counseling program to advise and assist, but it doesn't actually find a job for any of the veterans. Is that an accurate summary of the transition program?

Mr. GRAY. I believe that is a fair summary of it. It advises them of existing programs. It is not a job-finding program in itself. If I understand the question properly, yes, sir.

Senator DECONCINI. Yes, you do, General, thank you. I have no quarrel with that program, but what are you doing in the Department to actually find jobs? What incentives, if any; what training, if any; what expanded programs, if any; does the Department of Veterans Affairs have for this increased number of veterans that are coming out from the services and also that have returned from the Gulf War unemployed? Is there any initiative other than using what is already there?

Mr. GRAY. No, the initiative is in making what is already there better known and more effective to the extent that we can.

Senator DECONCINI. To achieve that, what has the Department done? Has it added funds or personnel to that program?

Mr. GRAY. We have added a number, that I can't think of off the top of my head but will provide, if it will be useful to you, of people in the outreach and counseling program. We have added some numbers to Dr. Wyant's Vocational Rehabilitation Program over the last 2 years, which is, as I'm sure you are aware, sir, the primary means through which we take service-connected disabled veterans who have an employment handicap and, through a case-management system, work with them through education, training, and employment to get them on the rolls of those suitably and properly employed for, we hope, the rest of their lives.

Senator DECONCINI. Dr. Wyant, could you perhaps advise us what kind of funds have been added to that program.

Dr. WYANT. With the DTAP, Disabled Transition Assistance Program, last year we had an increase of about 11 to 12 percent in personnel. We added 15 additional counseling psychologists and another 69 vocational rehabilitation specialists.

Senator DECONCINI. Where did you get the money for that?

Dr. WYANT. We ate it out of existing resources, sir.

Senator DeCONCINI. You reprogrammed or took it out of existing sources. Dr. Wyant, how many disabled veterans will that accommodate; do you have any estimates?

Dr. WYANT. Our goal is to reach every disabled veteran coming out of the military service. If we know about them, we will try to find a way to get to them.

Senator DeCONCINI. And what does that program actually do? Can you tell us in a nutshell. Does it find them a job, does it train them, does it give them the necessary tools, does it give any incentive to business to hire them? How do you actually get them in the workplace?

Dr. WYANT. Every veteran within 6 months of discharge up to 1 year afterward can receive employment and educational and vocational guidance. The disabled veteran that meets the entitlement and eligibility for the Vocational Rehabilitation Program can go into a comprehensive training-type program and then be provided job assistance to help place that person once they complete the program.

Senator DeCONCINI. That only takes care of disabled.

Dr. WYANT. That's correct.

Senator DeCONCINI. In the first part of your statement, you said every discharged veteran.

Dr. WYANT. That's for counseling, for education and vocational counseling.

Senator DeCONCINI. That does not do any training, does it?

Dr. WYANT. No, sir.

Senator DeCONCINI. No.

General Gray, Public Law 100-323, if you are familiar with it, enacted in May 1988, made a number of significant changes to the VJTA in order to improve the prospects of participants completing their training. Funding for the program had just about run out by that date and the improvements made in that law were really never given a fair chance because they ran out of funds. Isn't it true that the data on which you base your criticisms of S. 2515 predates the implementation of Public Law 100-323?

Mr. GRAY. If I may, Mr. Chairman, let me turn to my institutional memory here, Mr. Horton, to respond.

Mr. HORTON. That's correct, Senator.

Senator DeCONCINI. So you don't have anything up to date on it. Is there anything transpiring to bring that more current?

Mr. HORTON. Well, if I may, there is nothing really to study at this point.

Senator DeCONCINI. Your analysis predates Public Law 100-323, which passed in 1988, right?

Mr. HORTON. Yes, sir.

Senator DeCONCINI. So there is nothing current going on to analyze this.

Mr. HORTON. No, sir.

Senator DeCONCINI. So we don't really have some current information. Do you have any suggestions about what could be done to get more current information regarding this?

Mr. HORTON. Many of the problems that we had with the prior law had to do, strictly administratively speaking, with the way it

was funded in that the money would continue to run out and we would have to stop people from going into the program, then we would have to start it up again. We would start it up again and everybody would get enthusiastic, then the money would run out again. That's the administrative side of the house.

The real problem in the other side of the house, in actually getting the people the training and the jobs was that the jobs weren't there. We put out almost 500,000 certificates to get into the program and actually only 62,000 people were hired. I don't know what kind of an analysis would improve that kind of result.

Senator DeCONCINI. Is it your opinion that further incentives just wouldn't provide the jobs?

Mr. HORTON. I can't really speak to where the jobs are. You would have to ask the Department of Labor that question. But I think as it primarily operated, the problem with the program was that the jobs weren't there. We made promises we couldn't keep.

Senator DeCONCINI. The jobs weren't there because the funding wasn't there; isn't that a correlation that you could draw? If the funding were there, maybe the jobs would have been there. But weren't we short of funding under Public Law 100-323?

Mr. HORTON. Yes, sir, that was part of the problem.

Senator DeCONCINI. So we don't know, do we, whether or not the jobs would be there if we had sufficient funding?

Mr. HORTON. No, we don't.

Senator DeCONCINI. You can't make that quantum leap.

Mr. HORTON. I cannot answer that, no, sir.

Senator DeCONCINI. General Gray, many of your concerns about S. 2515 in your full statement relate to administrative issues more than the concept of the Department working with the Department of Labor. You note that the most salient distinction between the VJTA and S. 2515 is that Labor "would have responsibility for administration of almost all substantive programmatic areas." However, you conclude that giving "key substantive responsibilities to the Department of Labor and administrative payment responsibilities to the Department of Veterans Affairs" would worsen the coordination difficulties of the prior VJTA.

Can you go into that a little bit more on the impact on program effectiveness if the administrative payment responsibilities were given to Labor rather than the Department of Veterans Affairs?

Mr. GRAY. Let me ask Mr. Horton to address the problem as it existed when he was a regional office director and later on in the Central Office during the administration of the other, and then let me offer an opinion after he is through.

Mr. HORTON. The difficulty is one of intermittent funding, if you will. The program would dry up and you would start over again. But the problem that we have in administering this kind of a program is that it is a mixture of a jobs program and a training program, if you will.

Senator DeCONCINI. Yes, it is.

Mr. HORTON. When we got out and started looking at what was actually happening, doing compliance surveys of the establishments, we found all kinds of misuse of funds, waste, fraud, and abuse, if you will, because it is not structured the way that we structure our education and training programs.

Our education and training programs in the Department are primarily under the jurisdictions of State approving agencies which go out and approve the establishment and make sure that there is an upfront compliance with existing law.

Senator DeCONCINI. Excuse me, Mr. Horton. You said you found a lot of waste, fraud, and abuse in the management of the labor?

Mr. HORTON. No, sir, in the way that the veterans were treated by the employer. No actual training taking place—

Senator DeCONCINI. And no monitoring or accounting for it.

Mr. HORTON. That's right.

Senator DeCONCINI. If payment were to be made by Labor, what would be the proper role for the Department of Veterans Affairs in this kind of a program if we did enact that?

Mr. GRAY. Let me offer a response, Mr. Chairman. I take for granted that the words that the Chairman read are as they are presented in our statement. I would not hide behind an administrative difficulty or coordination difficulty in the implementation of this program.

The Department of Labor knows more about jobs than the Department of Veterans Affairs does. It may be that we are more experienced and know more about education programs because of our long experience with the GI Bill than does the Department of Labor, but I have no problem with the capability of the two Departments, under any reasonable circumstance, being able to work together and administer a jobs training program should one come back into existence. That should not—

Senator DeCONCINI. In other words, that would not be a big problem if, in fact, we pass something like this.

Mr. GRAY. It would be a problem, but it is something that, if this legislation or legislation like this passes, we can solve the administrative side of the thing together with the Department of Labor.

Senator DeCONCINI. My last question, and then I'll yield to Senator Thurmond, although I will submit some questions for this panel. In opposing S. 2515, you state in your prepared statement that various education, rehabilitation, employment, and transition assistance programs are "having a positive effect on helping veterans secure employment." Are veterans' unemployment rates higher or lower than they were a year ago or even 6 months ago? Do you know; does anybody know?

Mr. GRAY. I do not know. Does any one on our panel know? I, personally, do not, but if Mr. Ritterpusch cannot answer that question for you, we will, together with him, research it and provide the answer, sir.

Senator DeCONCINI. I would like to know that, if you can help us please.

Mr. GRAY. Yes, sir.

[Subsequently, the Department of Veterans Affairs furnished the following information:]

Veteran Unemployment Data

	Percent
May 1992.....	5.8
December 1991.....	5.6
May 1991.....	5.2

Senator DeCONCINI. I yield to the Senator from South Carolina.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Gray, we welcome you and your panel here.

Mr. GRAY. Thank you, sir.

Senator THURMOND. Mr. Gray, you suggest that there is a duplication of services rendered in the Veterans' Job Training Act (VJTA) by the Department of Labor and the Department of Veterans Affairs. You also suggest that there is a harmful division of responsibilities for this program between the two Departments. How would you suggest that we solve this problem? Should we allow one Department to oversee and administer the entire program?

Mr. GRAY. I would think, Senator Thurmond, that whatever degree of difficulty or lack of coordination that may have existed in the past that caused this opinion to come into being is something that can be overcome. My own experience in my short time with the Department has not given me any reason to believe that administrative problems are inherent when two Departments are given pieces of a program. They are not something that can't be overcome between our office and that of the Department of Labor. So I have no rewrite of the legislation.

I think, as in answer to the Chairman's question earlier, jobs and job training may well be something that the Department of Labor has more expertise in. When it moves over into education, and perhaps in the direct payment of benefits to veterans, the Department of Veterans Affairs has more experience. We can work out ways to make this work if this legislation becomes law, sir.

Senator THURMOND. Mr. Gray, you have stated that a total of \$205 million for VJTA training was obligated in fiscal year 1991, yet only 5.1 percent of VJTA applicants actually completed the job training program and that a majority of these persons were not hired by the employers providing this training. Can you give me a brief explanation why this occurred and how Congress can avoid similar results?

Mr. GRAY. In answer to the last part of your question, Senator, I don't know how to avoid similar results. The folklore and the report on the VJTA that was prepared by the Department of Veterans Affairs would indicate that, as Mr. Horton testified earlier, the jobs actually were not there. There were not that many employers who had job training programs or were able or willing to put together job training programs for the veterans. The supervision of the potential employers was less than desirable, probably with good reason, by people wanting to get this program underway and drive on through and get veterans to work. I understand that, but it allowed jobs to be created that were not, in fact, training jobs, but were ways for employers to have a portion of wages paid by the Federal Government rather than out of their own pockets. At the end of the benefits period for the veterans, those jobs disappeared because they weren't as cheap anymore for the employers to handle.

How do you beat that? By some system through which the potential employers' training programs are evaluated and monitored to be sure that the veterans who are sent into those programs are in fact not just doing unskilled or semiskilled work at a cheap rate for the employers, but are learning things that will make them em-

ployable for the long-range, which is what our total objective would be. I don't know how to do that, Senator.

Senator THURMOND. Thank you very much. That's all, Mr. Chairman.

Senator DeCONCINI. Thank you, Senator Thurmond.

Before you leave, General, maybe you could help me on this—and you may not know the answer to this—but under Public Law 102-25, at the end of fiscal year 1993, the basic rate of the Montgomery GI Bill benefits will go back down—from \$350 to \$300 per month—unless the Secretary exercises that authority to maintain the \$350 level. The Secretary also has authority to provide a cost-of-living increase. As I understand it, he can keep it at \$350 and give a cost-of-living increase. Do you know what the Secretary's plans are?

Mr. GRAY. I know only in general terms from discussions with the Secretary. He, obviously, has not really made those decisions because he doesn't know what the conflicting requirements for funds will be. I know that his attitude is one of supporting a retention of the currently improved rates and of serious consideration of a cost-of-living increase. But finitely, I cannot answer it.

Senator DeCONCINI. The Secretary certainly has a fine legacy, in my opinion probably better than a lot of others in the Administration, of going to the well, so to speak, going all the way to the White House. You don't know his plans, or maybe he doesn't want to disclose them if he is prepared to—

Mr. GRAY. I would suggest, Mr. Chairman, that he probably has not made that decision at this point.

Senator DeCONCINI. And you don't know the attitude of OMB, I don't suspect.

Mr. GRAY. No, sir. I've tried not to talk with them about it before I have to. [Laughter.]

Senator DeCONCINI. Of course, I understand why you wouldn't want to talk to them, but I would urge you to talk to them.

Mr. GRAY. Yes, sir.

Senator DeCONCINI. You are a very convincing witness and make a good presentation. I think the more you talk to them, the better, just as the Secretary has done.

Thank you very much, General. Thank you, gentlemen.

Mr. GRAY. Thank you, Mr. Chairman, for the courtesy we always receive in this room.

Senator DeCONCINI. Our next witness is Mr. David Ritterpusch, Acting Assistant Secretary of Labor for Veterans' Employment and Training.

Mr. Ritterpusch, thank you for joining us here. Unfortunately, your testimony was not provided to the Committee in time that I got a chance to read it; we got it at 5 p.m. yesterday, so it makes it kind of hard to determine what your real analysis is here. We will include your full statement in the record and we ask that you summarize it for us in 5 minutes, if you would please, Mr. Ritterpusch.

STATEMENT OF DAVID S. RITTERPUSCH, ACTING ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR

Mr. RITTERPUSCH. Thank you, Mr. Chairman.

The Secretary of Labor's mission for the Department of Labor is to give each working man and woman a chance for real job security and job opportunity in a changing world. We feel that no segment of American society will experience as much change and be subject to as much job insecurity in the coming years as the American military veteran.

In addressing that situation, and I've mentioned this to Congress in earlier meetings with the House Committee and to this Committee earlier, when I came into this job, I set out to establish a long-range plan and establish long-range planning processes and methodologies. In turn, we will submit our plan to our Deputy Secretary in 2 weeks at our program review. It will become the basis for our fiscal year 1994 budget submission and also we will have some fiscal year 1993 implications.

One of the cornerstones for us is data on the build-down itself. In each person's packet is a very basic set of tables that show you the actual number of veterans that will be entering the work force through 1995 as well as spouses, a serious consideration for us since 60 percent of the individuals leaving the military today are married. Using that as a basis, our main thrust frankly—and I'll touch on TAP in a moment—will be dramatic expansion of TAP. We also have some proposals for the administration for prototypes in the employment and training area.

The TAP program itself has been a major success. It began in 1990 with a startup project at Fort Bragg, was expanded in 1991, and by next year we will have over 3,000 workshops and expect to provide TAP services to over 200,000 exiting servicemen and spouses. We have some concerns. We have found that we're not reaching as many spouses as we should, we're not yet reaching as many of the servicemen overseas and on board ship. So we've commissioned the establishment of a video tape to capture TAP for the servicemen overseas, we have introduced a public relations campaign to get to more spouses, and are going to establish some prototype for spouses of evening TAP classes. TAP is, as General Gray indicated, a rather remarkable example of various Federal agencies, various services working together at both the Federal level and locally.

In the interest of oversight itself of the veterans' programs, I would mention to you that some of the services that our field force has provided this past year, of which we are very proud, include the Veterans' Reemployment Rights briefings, which were given to over 100,000 troops and to 10,000 employers. I think it is a remarkable accomplishment by our field force. Also, we have established the advisory committee for the veterans' community. We are establishing a newsletter, which will go out in June and to which we would ask each of you to be contributors, to be sent to our field force and to LVERs and DVOPs and to the rest of the veterans community.

I made a commitment before Congress and I made a commitment privately as well to see that we get more resources. The onus is on me to do that by looking at the programmatic requirements that face me to service the veterans community, by establishing what the resources are to accomplish that, and presenting that to the Administration. I will do that, and my first opportunity to do that will be in 2 weeks from now when I will present our plan in program review to the Deputy Secretary and then to OMB, who already have an idea that we're going to take some initiatives here.

Senator DeCONCINI. Will that be made available to us and when?

Mr. RITTERPUSCH. As soon as I am allowed, yes, sir.

Senator DeCONCINI. You don't have any idea when that will be? Is that a decision by OMB when to release that?

Mr. RITTERPUSCH. Yes, sir.

Senator DeCONCINI. Have you concluded your statement?

Mr. RITTERPUSCH. Yes, sir.

Senator DeCONCINI. Thank you very much.

[The prepared statement of Mr. Ritterpusch appears on p. 120.]

Senator DeCONCINI. Let me pursue some questions. In your prepared statement, you state the military downsizing will "require an additional half million veterans to seek new jobs over the next 4 years." This, in effect, represents the loss of 500,000 military jobs at a time when the civilian job market is more or less stagnant. You also indicate the TAP has provided assistance to some 66,000 separating servicemembers to date.

How many of these individuals have actually found employment?

Mr. RITTERPUSCH. We do not have the quantitative results back on analyzing the TAP program. We expect to have a quantitative sampling by September. It is an excellent question and one which we need to have answered as well.

Senator DeCONCINI. Will that also give us information on the kinds of jobs that they have? I presume it will.

Mr. RITTERPUSCH. Yes, sir.

Senator DeCONCINI. And what kind of records are you keeping to determine TAP's effectiveness in helping ex-service men and women?

Mr. RITTERPUSCH. As far as placement, I will have to furnish that to the Committee later.

Senator DeCONCINI. Thank you.

As we know, downsizing has already begun, Mr. Ritterpusch, of some significance.

Mr. RITTERPUSCH. Yes, sir.

Senator DeCONCINI. We are going to have a lot more. How are you planning or preparing to aid the many soon-to-be separated veterans, many of whom will need DVOP or LVER and related services?

Mr. RITTERPUSCH. Essentially, in two ways. First, the TAP program is expanding dramatically, as we indicated, and will be at about a 200,000 level by 1993, and will be at almost 200 sites around the country and military bases, and there will be about 3,000 workshops. This program really started in 1991, so it has been a dramatic rapid growth.

Beyond that, Senator, the review that we are doing—which, on the one hand, is quantitative based on the build-down, and on the

other, is qualitative with input from our field people which we began at our national field meetings 6 weeks ago and which is chaired by my head of field operations—will specifically lay out the programmatic requirements we have to service the veterans and will identify to the Administration what our priorities are to meet them. We are going to lay out what it is we can do with the resources and we're going after more resources. I can't promise success, but I can promise, and have committed, a rigorous effort and a programmatic sound effort, very much like the Pentagon has done.

Senator DeCONCINI. This goes to the same question. How prepared are DVOP and LVER programs for a big influx?

Mr. RITTERPUSCH. The way we have supplemented DVOPs and LVERs today, for instance with TAP, is we have added \$500,000 to TAP this year and we use that money, in part, to hire contractors in those areas that are going to have a large influx.

For instance, the Navy has a tendency to out-process its people in San Diego or Norfolk. So in areas like that, where we anticipate large class sizes, we contract to have supplemental help.

Senator DeCONCINI. Do you anticipate putting more resources besides the \$500,000?

Mr. RITTERPUSCH. Yes.

Senator DeCONCINI. Where do you get that; by reprogramming or out of your—

Mr. RITTERPUSCH. The \$500,000 was done through our budget. For fiscal year 1994, it is going to be part of my budget submit; for 1993, it will have to be reprogrammed.

Senator DeCONCINI. Have you begun, or are you planning, any special initiatives other than TAP for ex-military people who have been affected by downsizing?

Mr. RITTERPUSCH. Yes, sir. I have worked with the Deputy Secretary on some very specific initiatives which I am not free to address here today. They will be presented in my program review. We have prototype sites selected. I am very positive about them. We've worked out the cost data and we have an idea that they would be a major help to veterans, but I am not at liberty to present them here.

Senator DeCONCINI. OK. Mr. Ritterpusch, the Department of Veterans Affairs argues that, in giving key substantive responsibilities to Labor and administrative payment responsibilities to the Department of Veterans Affairs, S. 2515 would exacerbate the coordination difficulties experienced under the prior Veterans' Job Training Act.

AMVETS urges that we consolidate responsibility and funding under Labor, with the role of the Department of Veterans Affairs being limited to that of advising the Department of Labor on the changes in the veteran population.

The Commissioner of Labor for the State of New York notes that, in New York, his office is able to make reimbursement payments to employers as a regular part of the many programs he administers.

Suppose we were to amend the payment provision of S. 2515 to give that responsibility to Labor rather than to the Department of Veterans Affairs. Is there a workable payment system currently in

place in every State, in your judgment, or how many are lacking, with links to a national data base that would allow Labor, through State Employment Security Agencies, to make all payments authorized if this were enacted into law?

Mr. RITTERPUSCH. Under the current systems as they exist, I would first agree with the earlier witness, General Gray, in feeling that, uniformly across the country, the Department of Veterans Affairs has the experience in payments and we have the experience in job training and employment, and that would be a logical break. Second, I would echo his comments that I would not let any concern about administrative ability to coordinate be an inhibitor if this goes forward. We can work together; there's no question about that and make it happen.

I don't have the exact number, but I don't think enough of the States are really in a position for their employment services to make the payments to make that a viable option early on, particularly if we want uniformity. At this point, if this were to come about, I would favor Department of Veterans Affairs making the payments and Department of Labor managing the training and employment.

Senator DeCONCINI. And New York may be the exception.

Mr. RITTERPUSCH. There probably are other exceptions, too. There are some excellent programs out there but it wouldn't be uniform.

Senator DeCONCINI. Rather than a majority of States.

Mr. RITTERPUSCH. Correct.

Senator DeCONCINI. If Labor were to make all the payments, what do you believe would be the proper role of the Department of Veterans Affairs in this program? Or are you really saying that, if this passes, we ought to just leave it like it is?

Mr. RITTERPUSCH. I don't think the Department of Labor is in a position to make all the payments even through the States at this time.

Senator DeCONCINI. S. 2515 requires that a veteran has been unemployed for at least 10 to 15 weeks immediately preceding the date of his or her participation in the program. AMVETS urges that the requirement be revised to 5 of the last 10 weeks, and the VFW recommends that we not penalize those who hold temporary jobs. The Executive Director of the South Carolina Employment Security Commission recommends that the unemployment requirement be reduced purely to 5 weeks. The NCOA questions placing any prior unemployment restrictions on the program. Do you have advice regarding a period of prior unemployment as an eligibility criterion?

Mr. RITTERPUSCH. No, I do not. I would like to ask a question. In my reading, I thought there was a provision that there was an "or" provision. I thought if an individual had left the service within 30 days that, by my reading, there was no proviso that he or she have been unemployed.

Senator DeCONCINI. I am advised that is just for the recent discharges and not all the others.

Mr. RITTERPUSCH. I don't have a Labor position on that, sir.

Senator DeCONCINI. Thank you. Can you think about that and give us just your opinion of where you think it should fall, if at all, if there should be a limitation on eligibility.

Mr. RITTERPUSCH. Sir, philosophically, I favor programs that do not encourage unemployment. I favor programs that put people immediately into training. I favor anything that allows the veteran, the man or woman coming off active duty to be trained immediately and placed into employment. I feel my job with Labor and our job, in general, is to facilitate the transition of these fine Americans from their military employment to domestic employment. Therefore, I favor programs that move them directly from the military to the domestic workplace.

Senator DeCONCINI. Thank you. That's a good answer and I take it that is, as you say, your personal opinion.

Mr. RITTERPUSCH. Yes, sir. But I don't know that anyone objects at Labor. Who can object to that? [Laughter.]

Senator DeCONCINI. Well, nobody can object to the statement. It is whether or not there is a commitment behind it. And I understand why perhaps you don't want to say that is the Secretary's position. If you can clarify that for the record, the fact that it is their position, that would help us with this bill. If it isn't, we need to know.

Mr. RITTERPUSCH. Yes, sir.

Senator DeCONCINI. What would be the proper relationship between the Transition Assistance Program and the Veterans' Employment and Training Program, particularly with regard to counseling and resource utilization?

Mr. RITTERPUSCH. Well, TAP would provide an excellent conduit for anything such as this. After all, as TAP expands and we reach the bulk of the people leaving active duty, we can inform them of this program and link them with the State.

Senator DeCONCINI. If this become law and was funded so we could handle the huge numbers we're talking about, you think TAP could expand also?

Mr. RITTERPUSCH. There would be a synergy there, yes, sir.

Senator DeCONCINI. And you don't see a problem with present TAP being able to absorb or to expand?

Mr. RITTERPUSCH. TAP needs additional resources to do what it is called on to do now, but I think that's all part of the new equation.

Senator DeCONCINI. It is working relatively well, in your opinion?

Mr. RITTERPUSCH. Working very well but it is not reaching as many people as it needs to.

Senator DeCONCINI. The Senator from South Carolina.

Senator THURMOND. Mr. Chairman, I have no further questions.

Senator DeCONCINI. Thank you very much. Thank you very much, Mr. Ritterpusch. Your testimony was very helpful to us and we appreciate it. We have some other questions we will submit to you responding to a few of the things we kind of left dangling.

[The Department of Labor failed to respond to the Committee's written followup questions.]

Senator DeCONCINI. I am delighted to introduce the next panel of witnesses who have traveled to Washington today to give us their views on the legislation before the Committee—Mr. Robert David,

Executive Director of the South Carolina Employment Security Commission; and Mr. John Hudacs, Commissioner of Labor at the New York State Department of Labor. Gentlemen, thank you very much for taking the time to be with us. You are on the front lines of these programs and it is very helpful to us to have your testimony. Your full statements will appear in the record and we would ask that you summarize them, please, in 5 minutes so we can keep on schedule.

We will start with you, Mr. David.

**STATEMENT OF ROBERT E. DAVID, EXECUTIVE DIRECTOR,
SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION**

Mr. DAVID. Thank you, sir. My name is Robert David. I serve as Executive Director of the Employment Security Commission in South Carolina. I've served in that position for 17 years, probably 10 years more than any other person in the same job throughout the Nation. I also serve as the Chairman of the Veterans' Affairs Committee of ICESA, and the Chairman of my Governor's Committee on Military Assistance in the phase-down of the military in our State.

First, let me say, Mr. Chairman, I applaud you and your colleagues for introducing this important legislation. It is badly needed by our veterans, and it will be a wise investment in some of the Nation's most valuable human resources.

Today, like thousands of other GIs, I owe my education and other achievements, many of them, to programs like this one. The GI Bill of Rights, by any measure, is one of the soundest investments in human resources in the history of human activity.

This bill comes at a critical time for the Nation and for our veterans. As you know, thousands of military personnel are in the process of being separated; and half a million will be separated in the near future.

Our economy is improving, but the transition of this large number of military personnel to civilian life could create some real problems. The Veterans' Employment and Training Act of 1992 will be an important incentive to hire and to train veterans. Employers need this incentive at this time.

There are several key points that I would like to make.

First, this multiyear program is exactly what America needs to prove our commitment to our veterans. I happen to be a veteran of three different wars. My personal feeling that I've advocated for many, many years is we can't do too much for our veterans. It will be an investment and not an expense.

Second, in order to work, fiscal policy between Congress and the Administration should be clearly established. The program, once started, should be allowed to run its full course and achieve its full objectives.

Third, coordination between partners is essential to achieve success. What we have learned from the Transition Assistance Program should serve as a model. A full partnership must be enjoined between DOL, DVA, and DOD, the States—and let's not leave the States out—and the private sector. The Department of Labor should have full responsibility for implementing the hands-on pro-

visions of this bill to include responsibility for dispersing payments to veterans and employers under this act. Others should support and assist in their respective areas. This will prove more cost-effective.

The Employment Security System has the capability and the commitment to get the job done. The system already is in place. In our State, for example, we have 39 operating offices with a combination of many programs in there; it is a one-stop kind of an operation for many, many different programs. As you know, local employment offices throughout the country are staffed with personnel who specialize in serving veterans, and I'm referring, of course, to DVOPs and LVERs. Of course, they will be overwhelmed during the next several years, and we would hope that adequate funding from the Department of Labor would be forthcoming.

Fourth, I would ask you to consider amending the bill on one point. Instead of requiring that a veteran be out of work for 10 or 15 weeks preceding participation in the program, why not let the criteria be 5 weeks? Five weeks is enough time. We know, by then, whether they are going to be placed in a job or not.

In conclusion, Mr. Chairman, we in South Carolina and throughout the Nation salute you and the supporters of this legislation. It is badly needed and will be greatly appreciated by our veterans and all of us who owe so much to them, and thank you for this opportunity to appear before you.

[The prepared statement of Mr. David appears on p. 125.]

Senator DeCONCINI. Thank you, Dr. David. Very good testimony. We appreciate it.

Mr. Hudacs.

STATEMENT OF JOHN F. HUDACS, COMMISSIONER OF LABOR, NEW YORK STATE DEPARTMENT OF LABOR

Mr. HUDACS. Thank you, Senator, Members of the Committee. My name is John Hudacs. I am Commissioner of Labor, New York State Department of Labor. I am very pleased and honored to address you this morning on the subject of veterans employment.

It is a subject of grave importance to the hundreds of thousands of people I serve in New York State. After careful analysis and review of Senate bill 2515, creating the Veterans' Employment and Training Act of 1992, I believe this legislation provides many of the incentives necessary to promote the hiring of veterans in the private sector.

To fully understand the need for this legislation, I believe it is important to recognize the magnitude of the problem that we all face. Between 1989 and 1991, New York State experienced a 64.7 percent increase in claims for unemployment filed by veterans. This should be compared with about a 30-percent increase for the total population during that same time. In fact, it was an increase of 79 percent in the number of separating veterans who filed for unemployment benefits between 1989 and 1991.

There are two reasons for these dramatic statistics, I think reasons that we're all aware of. First is the recession, which has really devastated the population, particularly the veterans community; and the second is the continuing massive downsizing of the mili-

tary force. While all veterans currently separating from the military are eligible for unemployment compensation at a rate that is equivalent to the general public, you should be aware, Mr. Chairman, that a large number of unemployed veterans who have been out of the military for a number of years do not, in fact, qualify for these benefits. Many veterans, particularly African Americans and Latinos, had not been in the mainstream job market long enough to qualify for unemployment compensation. The tragic result is that veterans make up the largest percentage of homeless people in New York State.

It is obvious that we at the State Employment Security Agencies as well as representatives of the U.S. Department of Labor and the Department of Veterans Affairs have to do more than just pass out unemployment checks to qualified veterans. We have to help these men and women find meaningful, sustainable employment at a decent living wage.

Senator your efforts to create the Veterans' Employment and Training Act of 1992 represents a very thoughtful and logical response to the crisis that I've just outlined. Providing incentives to employers to hire and train veterans for jobs in the private sector is a long-term solution to an issue that has challenged us for decades, and I believe the legislation has placed responsibility for the program where it belongs—with the State Employment Security Agencies.

We deal with issues of unemployment and job training every day. We have thousands of men and women trained to offer the best, most efficient services available. We, in New York, have offices in every community in the State. Over the last 4 years, we have been converting all of our offices into what we call "community service centers" where our staff is cross-trained to handle any employment-related need a veteran might have. This ranges from the application of unemployment benefits, to job placement, to assistance in resumé writing and preparation, to the location of affordable quality child care. This is what our people do and I'm quite proud to say they do it very well.

The New York State Department of Labor currently has 85 offices that are staffed by disabled veterans outreach program specialists, the DVOPs, and also the local veterans employment representatives. By contrast, the U.S. Department of Veterans Affairs has two offices in New York State. Nationwide, there are 57 Department of Veterans Affairs offices, compared to more than 1,600 State Employment Security Agency offices and service points across the Nation.

I think it is noteworthy that it is the State Employment Security Agencies that interact on a daily basis with the business community, the very people that are the key to the success of this program that you've outlined in your legislation. For example in New York State, the Department of Labor and the New York State Business Council recently began a public information campaign alerting all employers in New York State to the current availability of thousands of veterans who are entering the civilian labor force. A handbill is being sent to over 70,000 employers in New York State in conjunction with the Business Council.

One final reason why the State Employment Security Agencies is a logical choice for administration of this program is that every veteran who becomes unemployed, either due to the recent downsizing or for any other economic reasons, will be visiting our offices if they choose to apply for unemployment insurance benefits. Sending these same veterans to a different location, often hundreds of miles at times away from their hometown, to involve them in the programs outlined in the bill I think would be wasteful and unreasonable. With proper funding and the highly tuned system of coordination with the Department of Veterans Affairs, the U.S. Department of Labor, and other agencies involved, I am confident that every Employment Security Agency in this country can provide exemplary services to veterans and employers under the provisions of the act that you've outlined.

Funding is an issue that I believe we should discuss and review. We are concerned that the 50-percent employer match to a maximum of \$5,000 may not be enough in this environment to induce employers to participate in the program. Too often, employers concerned with competition are hesitant to hire new employees who require extensive training. We would suggest that consideration be given to increasing that match to \$7,500.

We applaud the provision in the legislation to provide up to \$1,500 for participating veterans for work-related expenses, such as clothing, tools, transportation, and child care. It is highly commendable that you have a \$5 million commitment to the homeless that's directed to this program that provides employment and training assistance to the homeless veterans.

We also favor the very strong linkages with apprenticeship programs that are written into the legislation. It has been our experience in New York that apprenticeship is an invaluable vehicle for employers and novice employees and for the work force of the future.

Mr. Chairman, as I conclude, I would like to just comment on another bill before the Veterans' Affairs Committee, and that is S. 2647, that would change the formula for the number and allocation of disabled veterans outreach program specialists during the current congressional session, well before the "sunset date" of 1994. The formula would result in a relatively stable number of authorized positions and reflects the changing character of the veterans population that needs the assistance of DVOPs both in New York and nationally.

This Nation faces a very uncertain economic future. Whether or not recession is going to come to an end depends on who you ask and, frankly, what day it is that you ask them. We can't wait for the problems to be solved, particularly for the problems of veterans to kind of right themselves on their own. We must take aggressive action, and do it soon if we are going to break the cycle of poverty and despair that many of the men and women who have served this country are now facing. I am confident that the blueprint outlined in the Veterans' Employment and Training Act of 1992, coupled with a sincere commitment by local, State, and Federal agencies to effectively coordinate efforts, can result in the meaningful employment of tens of thousands of veterans across this country.

Thank you for your attention this morning. I would be pleased to answer any questions.

[The prepared statement of Mr. Hudacs appears on p. 126.]

Senator DECONCINI. Thank you, gentlemen. Yes, I do have some questions.

Mr. Hudacs, thank you for your testimony. Can you give us your opinion as to the number of weeks that should be required to qualify for this program? Mr. David gave his opinion that it should be changed to 5 weeks, and I did not notice in your testimony if you dealt with that.

Mr. HUDACS. I did not address it, but I would concur with that recommendation.

Senator DECONCINI. You would concur. Second, your recommendations, and I will ask the same question of Mr. David, as to the payment going through the State process, do you believe that most of the States have the capacity to handle that? I just don't know, myself, and we get conflicting recommendations here. But you folks obviously work with other States and know them. What is your overall opinion?

Mr. HUDACS. Let me answer that in two ways. First, New York State definitely has the capacity to do that. We have a host of other programs we administer and we have a system that is established that can do that very effectively. Let me also say, in preparation for this testimony, we've had an informal—or formal, depending upon how one wants to characterize it—telephone survey of other States. We talked with California, Florida, Texas, Illinois, New Hampshire, and South Carolina. That makes up 50 percent of the veterans population of this country. All of these State Employment Security Agencies have said that they have the capacity to deliver on that.

Senator DECONCINI. Mr. David, do you have a comment regarding that?

Mr. DAVID. The comment that I would have is, yes, we do have the capacity. In a small State like ours, we're delivering on time 50,000 checks a week to unemployed people through the unemployment insurance system. We would have no problem using this same system to deliver these checks. We do that for other contracts that we have with DSS on jobs in other programs. So we don't see any real big problem.

I think Labor's feeling about this, if it is required to go through the TAP, and through the organization that manages TAP in the State, then there might be some requirement for developing the capacity there. But we already have it; it is already there and it can be used.

Senator DECONCINI. Thank you. Let me ask both of you to respond. General Gray testified that the problem with VJTA was that the jobs simply were not there. What are your thoughts on that; are the jobs there if the incentive is there?

Mr. HUDACS. Well, I just have to say that unless there is an incentive, the jobs won't be there. We have to be realistic about the present economic environment that we're in.

Senator DECONCINI. You think that under the VJTA the incentive was not sufficient?

Mr. HUDACS. Well, I think there were a lot of difficulties. I've taken a look at the past program in order to determine where there is a difference between this one and that one, and where, in fact, there are things that are being done here that will make it more effective. I think you've incorporated some very significant, progressive initiatives in your legislation. The dealing with the veteran himself or herself on the basis of the case study and counseling on a one-to-one basis is very important.

But to try to go out and add the outreach by the people who are in the business of employment and training, the distinct employment security agencies who deal with employers on a day-to-day basis, to give them the added tool when they go out and do that contact with them, to have an incentive, which is that \$5,000 supplement, is an immense tool. We found, for example, that the Targeted Jobs Tax Credit is a very, very effective tool for hiring people who otherwise would not get hired. Employers really evaluate whether or not they want to take that extra step to bring somebody in when they otherwise may not have been thinking about doing it, and I think this type of incentive, as we found with the TJTC, this \$5,000 incentive that is offered to them will also be a very good incentive.

Senator DeCONCINI. Then your testimony is that the match should be raised to \$7,500?

Mr. HUDACS. Yes, I would like to see \$7,500. Given what an employer has to go through, given the fact that you need to get the employer to start appreciating the fact that they are not just going to bring on someone but they are also going to have to engage in a very serious, well monitored training program.

Senator DeCONCINI. Well, it would be a mistake to have the incentive too low. I appreciate your suggestion of another number.

Mr. David, what is your response to the jobs being there? Are they there and, if the incentive is sufficient, will they be there?

Mr. DAVID. In some areas, there are jobs. I agree with John that the incentive provides that encouragement. Where companies are considering or planning to expand, it encourages them to move ahead. The incentive of \$5,000, we supported that; however, I think if it went to \$7,500, it might provide more encouragement. So we wouldn't have any problem in supporting that.

Senator DeCONCINI. Let me ask you both this question. Do you see a distinction with the incentive, from the standpoint of the private sector, whether or not it is a cash payment—as the bill points out, and if we did raise it to \$7,500, if we could find the funding—versus a tax credit? Does either one of you have any experience with private sector preference? I realize I need to ask some private sector people, but I wonder if you could comment on that.

Mr. HUDACS. Our experience in New York in dealing with the Targeted Jobs Tax Credit versus some Federal-funded programs that deal with on-the-job-training is that it is a much more persuasive vehicle if you can offer direct subsidy. It doesn't mean that using a tax credit or a tax abatement is not an effective tool, it is just that this one is much more convincing.

Senator DeCONCINI. Mr. David, do you agree with that?

Mr. DAVID. I do.

Senator DeCONCINI. Let me pursue one other line of questioning and then I'll yield, although I will be glad to yield to the Senator from South Carolina now if he would like to ask some questions at this time.

Senator THURMOND. Mr. Chairman, I don't have any questions. I would just like to ask unanimous consent to have my statement appear in the record.

Senator DeCONCINI. It will appear in the record.

[The prepared statement of Senator Thurmond appears on p. 113.]

Senator THURMOND. And I want to welcome Dr. David here. Incidentally, I've known him for 45 years. He doesn't look old enough to—

Senator DeCONCINI. Since he was 10 years old. [Laughter.]

Senator THURMOND. But I've known him ever since I was Governor. He is the senior State Employment Security Administrator in the whole Nation. He has had over 17 years in his particular office. I want to say he is held in high esteem in our State. He is a man of integrity, he is a man of dedication, he is a man of ability, and he has done a fine job. We appreciate his coming up here and testifying. He has served in three wars so he knows what he is talking about, especially since he has filled this position. I think the fact that he has had such a fine military record, together with his excellent record in civilian life in this position of Executive Director of the South Carolina Employment Security Commission makes his testimony even more valuable. Again, doctor, we welcome you here and are glad to have you.

Mr. DAVID. Thank you.

Senator DeCONCINI. Thank you, Senator Thurmond.

Let me address section 9 of S. 2515, if you can focus on that, which provides for the employee training benefits of up to \$1,500 to assist in defraying work-related expenses. If training is terminated prior to the scheduled date of completion, an overpayment will be assessed.

Mr. Hudacs, you noted that this provision will make it possible for many more men and women to participate in training programs, especially single parents. The Department of Veterans Affairs, however, testified that the provision intensifies the burden of oversight and provides additional possibilities of fraud, waste, and abuse. How much of an increased oversight burden would you expect such a provision to create for State employment agencies such as yours?

Mr. HUDACS. One of the things we have always tried to argue very forcefully for, particularly in State-funded programs, is to have some sort of support that allows an individual to take care of those situations outside of their training that prohibits them or is a tremendous obstacle for them to get back into the labor market. It can be as small as transportation in a rural area, getting from the home to the place of training or the place of employment, which can be a significant barrier. We have been very successful in terms of a variety of programs that are funded at the State level to get a supplemental payment that is targeted toward taking care of those types of things, particularly when we deal with individuals who are single parents who need some sort of consideration for day care.

It has not been onerous in terms of monitoring. It is part of an established process that we have. We have account executives, we call them account executives, they monitor these programs. We have standards against which we measure whether those funds are being spent appropriately; we have appropriate documentation that is required. It is not a lump sum payment given individuals. It is not an onerous administrative burden. Frankly, the payoff of getting that individual back into the work force is very, very significant.

Senator DeCONCINI. Mr. Hudacs, studies show that 62 percent of the VJTA participants failed to complete their training program. That's a big number. What is your response to the concern that a significant percentage of those who receive the \$1,500 benefits under S. 2515 will end up owing money to the Federal Government?

Mr. HUDACS. One of the things that you put into your proposed legislation which is very insightful is the caseworker/counselor concept. The type of situation that existed in the previous program really did not have the DVOPs and the LVERs involved as they are designed to be involved in the program that you've proposed.

When you get into the situation where you have individuals who otherwise would be dropping out, through the case management approach you can give them the type of attention, the type of assistance, encouragement, redirection that I think is critical in order to keep them in the program. That was very much absent in the previous program. I think to equate these two programs along those lines is not really an accurate comparison.

Senator DeCONCINI. Mr. David, how does the benefit of \$1,500 employee payment compare with the risk of creating a Federal liability for thousands of veterans who might not complete the program? Have you given any thought to that?

Mr. DAVID. Yes. We applaud the \$1,500 for the many different uses of it. Having gone through the GI Bill myself and having had to buy books and so many other things that you need in a training program, that kind of money should be available for tools and many other things.

Senator DeCONCINI. Gentlemen, let me ask you this. I would really be interested in hearing your previous experience with VJTA. How might your experience relate to today's changing social, economic, and demographic environment that we're in? Can you each give us your candid observations of the plus and minuses of VJTA? We'll start with you, Mr. David.

Mr. DAVID. I would say to compare the proposed legislation to the 1983 act is probably a mistake. First, one must remember the mood of the country in 1983 as compared to 1992. We certainly were in a recessionary period at both times, but there is a great deal of difference. Second, the EVJTA was limited to Korean conflict and Vietnam veterans only.

Funds for EVJTA were limited, of course. The act enacted by Public Law 98-77 established a 1-year emergency program to provide payment to employers on behalf of certain wartime veterans who had been unemployed for long periods of time. In 1984, \$150 million was appropriated. In 1985, it received no additional funding. In 1986 and 1987, de-obligation. The dollars were used to sus-

tain the program during this period. This uncertain financial issue raised questions about the program and created a credibility question with employers and veterans.

This legislation, as proposed, is a good mechanism to assure that employers will keep unemployed veterans employed once they are trained. It has all the right components—multiyear program, incentives for employers and veterans, information and outreach services to both employer and veteran, case management service to participants, and evaluation during and after the process. All that remains is to assure the interagency coordination. And I repeat, a full partnership must be enjoined between Department of Labor, Department of Veterans Affairs, Department of Defense, and the State employment agencies, and the private sector.

The Department of Labor should have full responsibility for implementing the hands-on provisions of this bill to include responsibility for dispersing payments to veterans and employers under this act. This lesson already learned from the Nation's Transition Assistance Program for soon-to-be veterans will prove more cost-effective.

Senator DeCONCINI. Thank you, Dr. David.

How about you, Mr. Hudacs.

Mr. HUDACS. I would echo everything that was said by Mr. David. I would just add that we're not just selling the veteran, which is very, very important, but we're also selling a program to employers. Their confidence in that program is as important as anything in getting in the door to be able to represent the program's continuity.

The issue was mentioned before, and Jack has mentioned it, what I would call funding "interruptus," that really gets to be a credibility problem with regards to the employer community and with the veterans themselves to know how far the program will be going. And that is something that I think is more effectively addressed in the present legislation than in the past law.

Our experience has been that when we were able to involve DVOPs and LVERs with the veteran under the previous program, we had a very significant rate of success. But a lot of what occurred was done outside of the total involvement of the State Employment Security Agencies. But our success rate was very, very good; up to 80-90 percent when, in fact, we could get an LVER and a DVOP working with the veteran participant.

Senator DeCONCINI. Is it fair to say, the problem, in your judgment, with VJTA was the lack funding?

Mr. HUDACS. The lack of continued funding. The uncertainty of it.

Senator DeCONCINI. Because, as you pointed out, it was a start-stop program. The Administration did not recommend continued funding, and sometimes Congress put some in and we didn't put enough. There was no commitment, it seemed to me, from the Administration to fully fund that program. So it is kind of hypocritical to see them criticizing it now when they weren't behind it in the first place, at least for funding. And I think the Congress has to take some share of blame, too, because we could have gone ahead and funded it fully. We did add some funds to it, but we didn't fully fund it.

Gentlemen, thank you for your testimony. It is extremely helpful. I want to really tell you how much we appreciate your taking the time to help us here. I find with my State labor/veterans office there, they are very helpful and have some answers that we don't have here. So we thank you.

Our final panel today has witnesses representing five veterans' service organizations. Mr. Mike Brinck for AMVETS; Mr. Ron Drach for the Disabled American Veterans; Mr. Clifton Dupree for the Paralyzed Veterans of America; Mr. Bob Manhan for the Veterans of Foreign Wars; and Mr. Steve Robertson for The American Legion.

We welcome you, as usual, gentlemen, and thank you for taking the time to review this legislation and prepare statements on it. Your full statements will appear in the record. Due to time, we would ask that each of you limit your statements to 5 minutes.

We will start with you, Mr. Manhan.

STATEMENT OF BOB MANHAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MANHAN. Thank you very much Mr. Chairman.

The VFW generally supports S. 2515 and we are already on record as having said so. We believe that the bill, as designed, has built upon the lessons learned from the historical Emergency Job Training Act and the more recent Job Training Act which recently expired; in fact the last program was discussed earlier by the Department of Veterans Affairs.

We do offer one comment, however. We would suggest that section 16 of S. 2515 be eliminated. This is the section that proposes to establish a pilot program of employment services for homeless veterans. We believe there are better ways to spend this "set-aside" money, for all of the reasons we stated in our written testimony. If you care to revisit this topic later, I shall expand on the problem, as the VFW perceives it.

On S. 2647, the "Veterans' Readjustment Benefits Improvement Act of 1992," there are some 25 to 30 different significant suggestions and proposals. The VFW disagrees with one proposal, and we offer four or five suggestions with the idea of strengthening several others. The one that we disagree with is section 107, which would propose to take away or repeal the advanced payment for those veterans who would elect to participate in the work-study program. The VFW believes this proposal would work an economic hardship on probably some of the most highly motivated veterans. They do need all of the help they can get, we believe, especially when transitioning back to civilian life. Furthermore, we could find no rational offered in either the floor statement or the section-by-section analysis as to why Congress would want to eliminate the 40 percent "upfront" money. We note section 5302 of title 38, U.S.C., is time-tested and is a very reasonable manner in which overpayment problems can be resolved.

The other sections that we would like to offer suggestions on first are sections 102 and 103. Both deal with providing the selected reservists additional educational benefits. We certainly agree with

everything that is stated in the bill, but we would further like to add the suggested proviso that selected reservists who take advantage of additional educational benefits be required to serve more time in their selective reservist status.

Both sections 104 and 106 deal with the Montgomery GI Bill. The first one revolves around the problem of what to do with a service-member who did contribute to MGIB but left the service, for whatever reason, without having completed an initial enlistment or at least 12 months of active duty service. Today the VFW believes that given the further drawdown throughout the Department of Defense, it would be more equitable to allow those youngsters—they are first-termers—to have their money cheerfully refunded rather than to have it revert to the Treasury.

The other section, 106, is very complex. It deals with the active duty member who comes in for less than 3 years, contributes to the MGIB, and later wants to stay on for 36 or more months. The VFW certainly supports the draft legislation and would add that if the soldier or sailor wants his money back, for whatever reason, to refund his portion of the money that was put in the MGIB program.

Which brings me to section 115. The proposal would allow commissioned officers, those who received their commissions through any one of the several military academies or through the greater ROTC program, to immediately pursue a postgraduate degree; i.e., to use their educational benefits. We agree with this proposal, but only after the commissioned officer has served an initial 2 to 3 years on active duty.

Thank you, Mr. Chairman. That summarizes our points.

[The prepared statement of Mr. Manhan appears on p. 129.]

Senator DECONCINI. Thank you very much, Mr. Manhan.

Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you, Mr. Chairman. I would like to thank you and your colleagues for the introduction of both S. 2515 and S. 2647. S. 2647 has not had too much discussion and I will talk a couple of minutes about it near the end.

But I feel compelled to respond to some of the earlier comments made, particularly by the Administration. It comes as no surprise that they don't support S. 2515. Other than the VRA, no Administration since 1972 has ever supported an employment initiative for veterans; and it is status quo, the same thing. But the second part of that irony is that they never offer any alternatives other than the status quo and the things that they are doing.

While we certainly support the TAP program, the DTAP program, and think that the way it is designed so far is working pretty well, I want to point out that the Deputy Secretary of Labor has stated publicly that we spend \$75,000-\$80,000 to train a civilian to become a military person. How much are we spending to retrain them? Nothing. And the Administration is not supporting any money to retrain them. We are recommending that your bill be modified a little bit to start that retraining in concert with what

we're doing in TAP, and that is to start 6 months prior to discharge so that they are marketable when they come out.

I think a misconceived notion is that our active duty military come out of the service with transferable skills. Most do not come out with transferable skills, at least not recognized by the private sector. You can have the best carpenter in the world come out of the military, but if he or she didn't go through the union apprenticeship program, they are not going to get a job as a carpenter, pure and simple. They just don't recognize those skills.

The Administration, actually Mr. Ritterpusch, mentioned a tracking system or maybe perhaps the lack of a tracking system. He indicated there would be some information available perhaps in September. The question raised in my mind was, is this a one-time survey or is this an on-going tracking system? If it is not an on-going tracking system, I think it needs to be done. There are no data on unemployment among recently separated veterans. All we have are Vietnam era veterans in the data base. So that needs to be looked at and needs to be changed, and particularly for those who go through TAP, DTAP.

Another question that was raised in my mind is what is the Employment and Training Administration doing to work in concert with the VJTS and the other parts of the Administration.

I hesitate somewhat to say this but I think it needs to be said because it has been an allegation, and I don't know whether it is true or not, but I think it needs to be pursued. Mr. Ritterpusch also commented about using some contractors. We have heard allegations that the contractor is subcontracting with the States, particularly DVOPs and LVERs, to perform the TAP services. If that is true, why? What do we need to have a contractor for if they are subcontracting with the States? I think that needs to be looked at.

Some very interesting comments or thoughts about the payment system that, quite frankly, we hadn't thought about. While we would not necessarily be totally opposed to the States providing the payment, I think we have to look at it very closely. Decentralization is not always the best way to go with things. And I would approach that very cautiously. And also, I know this is not an oversight on TAP but it has been mentioned a couple of times, TAP, DTAP has been around long enough that perhaps maybe it is time to have GAO take a look at the efficiency of the TAP program and what actually is it accomplishing besides counseling. Again, I don't say that in a negative way. I think what they are doing in TAP is good, but I don't think it goes quite far enough.

A couple of recommendations, Mr. Chairman, on S. 2515. We think that all disabled veterans, regardless of when they served, should be eligible. Some of the provisions that you include in this bill that take away some of the disincentives I think may be the cornerstone to have disabled veterans return to the work force. All too many have dropped out, and I think that those incentives that you have in the bill would be helpful.

We also think that employers who have been in business for at least 2 years under the same name and ownership and are solvent should be the only employers eligible. Other employers should not see this program as an infusion of capital.

We like your accommodation for disabled veterans provisions. We think that's very necessary and very helpful. The work-related expenses also are very helpful and very beneficial and will enhance the program.

There was some discussion about the tax credits versus the training allowance. We recommended initially in our written testimony that the employer be given the option of taking either the training benefit or the tax benefit. I am prepared now to recommend that perhaps we look at why not give them both. Section 4213 of title 38 already prohibits the counting of veterans benefits from declaring a veteran ineligible for other programs such as JTPA. So I think the precedent in section 4213 may allow us to allow an employer to take both benefits.

We have no position on the provisions of the Montgomery GI Bill. But in our written testimony we do talk about some of the other provisions. We want to thank you particularly for the provision that would put back into eligibility those disabled veterans with a 10-percent or more disability with a substantial employment handicap to be eligible for work rehabilitation. In conclusion, we also support the DVOP formula change in your bill.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Drach appears on p. 134.]

Senator DeCONCINI. Thank you, Mr. Drach.

Mr. Brinck.

STATEMENT OF MICHAEL F. BRINCK, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Mr. BRINCK. Good morning, Mr. Chairman. Thanks for the invitation to testify today.

AMVETS is convinced that adequate employment is the cornerstone upon which all other nonhealth related programs must be built. We feel that education and training are the keys to finding and keeping a good paying job.

There is a need to contain rising education costs. Tuition at State schools has increased 70 percent since 1984. Therefore, we wholeheartedly support increasing the benefits to \$450 for the active duty members and \$200 for reservists, and authorizing graduate training and tutorial assistance for reservists, and paying active duty participants at the same rate as veterans when attending school on a half-time or greater basis.

Since the GI Bill rewards service, it should therefore be available to officers regardless of their commissioning source.

AMVETS feels that time served prior to involuntary release should be credited toward the GI Bill requirements. And continuous active duty for 3 or more years should earn the full entitlement. AMVETS would also like to see the Department of Veterans Affairs retain the authority to advance the initial payment for those in the work-study program.

Our disabled veterans often experience additional impediments to becoming fully productive citizens, and we fully support the provisions in the bill that will increase the assistance to these veterans. We suggest a 15-percent increase would be more appropriate to account for their special needs.

AMVETS applauds increasing the total number of DVOPs to 1906, but we suggest a simpler, more effective distribution of 1 per office, with the remainder allocated by ASVET according to workload requirements.

We also suggest the following concepts be added to the draft:

DOD should be required to formally counsel those being discharged from active duty about their benefits under the GI Bill. Such counseling should include a written statement of available benefits that would then be signed by the veteran as a method of acknowledgment.

We also recommend changing the December 31, 1989 GI Bill benefit termination date for Vietnam veterans to 10 years from date of discharge.

Define the educationally disadvantaged as those with less than 14 years of education, and provide assistance on a recurring basis.

Finally, allow simultaneous enrollment in programs under the GI Bill, VJTA, or JTPA.

I would like to now shift to S. 2515. AMVETS strongly encourages you to consolidate responsibility and funding for the program under ASVET. Splitting responsibility increases overhead costs, confuses lines of authority and responsibility, and, in the end, decreases the effectiveness of the program.

To smooth the transition from the military to civilian life, there must be a strong link between TAP, DTAP, and VJTA. We strongly urge you to fund TAP, DTAP at \$150 million, and recommend that all servicemembers separating from active duty be preenrolled in the job programs.

We urge the Committee to revise the draft to allow participation of veterans who have been unemployed for 5 of the last 10 weeks, and allow those veterans not eligible for unemployment to be enrolled immediately, regardless of the number of weeks unemployed.

To increase program responsiveness, we strongly suggest that the Secretary of Labor establish a waiting list in case it is necessary to limit the number of participants because of a lack of funds. We also suggest that any funds recaptured by the program through repayment, et cetera, be made available to the program.

The Court of Veterans Appeals has proven beneficial to the veteran community. Since VETA is of veterans' benefit, AMVETS feels it is appropriate to include the administration and delivery of VETA services within the jurisdiction of COVA.

Section 6 should be modified to allow disabled veterans to participate in the program by providing course length extensions in cases where disability limits the speed at which the veteran can complete the course.

AMVETS strongly suggests that the amount of subsidy paid to employers on behalf of the veteran be increased to a maximum of \$12,000 a year, and we enthusiastically support subsidizing employers for expenses incurred in modifying facilities to train or employ disabled veterans.

We also strongly endorse training benefits paid directly to veterans for expenses.

AMVETS objects to precluding jobs, including the Targeted Job Tax Credit Program. We also disagree with limitation on reenrollment participation if a veteran has completed training under the

Veterans' Job Training Act. Today, the average worker has six career changes during a work life, and the program should take that into account.

Mr. Chairman, thank you again. Please don't mistake this list of suggestions for improvement as a rejection of the draft. On the contrary, it is a fine start and we applaud your initiative.

[The prepared statement of Mr. Brinck appears on p. 140.]

Senator DeCONCINI. Thank you, Mr. Brinck. We appreciate the constructive suggestions and also the support of the concept of the bill.

Mr. Dupree.

**STATEMENT OF CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE
DIRECTOR, PARALYZED VETERANS OF AMERICA**

Mr. DUPREE. Good morning, Mr. Chairman, and Members of the Committee. It is a pleasure and personal privilege to appear today on behalf of the Paralyzed Veterans of America.

PVA supports both of your bills.

In reference to S. 2647, PVA is concerned with the provisions of section 107, which would eliminate the requirement for the Department of Veterans Affairs to provide payment of work-study allowances to work-study participants in advance of performance of services. Frequently, potential participants not provided advance financial means to meet a work-study commitment are unable to muster resources necessary to clear prior obligations and pay for necessary preparatory measures, such as transportation, special clothing, tools, equipment, et cetera. Consequently, potential participants could be financially hindered from enrolling in a program of this nature.

PVA further believes that the loss of moneys attributed to individuals who fail to participate or finish a work-study program in spite of advanced payments would be negligible, especially when compared to advantages gained by individuals who would not otherwise be able to participate due to financial restraints.

In reference to S. 2515, PVA supports this bill. In section 8, the payment of training assistance and other assistance to employers, PVA would like to commend the Committee for the accommodation of a \$3,000 incentive for the hiring of disabled veterans.

In section 16, the pilot program of employment services for homeless veterans, the Secretary of Labor shall establish a pilot program to provide employment services, including counseling and other assistance, to homeless veterans. The \$5 million afforded the Secretary of Labor to establish a pilot program for provision of employment services may be excessive when considering that the basic structure for such a program currently is in place. Although funds appear to be allocated to meet perceived or projected demands prior to the program's 1997 expiration, a shortfall during any given year could break program momentum and stymie the effects and good intentions.

A more viable approach would be approaching the act as an emergency measure developed to stymie chronic unemployment and homeless problems now plaguing American veterans. As such, the Secretary of Labor and the Secretary of Veterans Affairs

should be required to determine program fiscal needs on a biannual basis, reporting their findings to Congress requesting any funding adjustments necessary to ensure fiscal year demands. Allocated funds not extended in any given year could be delegated to the next fiscal year allotment, thus precluding any shortfalls as demands increase. This process would continue until all allocated funds are expended or the full tenure of the program is reached, whichever comes first.

Mr. Chairman, I would like to thank you again on behalf of the members of the Paralyzed Veterans of America for holding this hearing on these most important and timely matters. This concludes my testimony and I will be glad to answer any questions you may have.

[The prepared statement of Mr. Dupree appears on p. 143.]

Senator DeCONCINI. Thank you, Mr. Dupree.

Mr. Robertson.

**STATEMENT OF STEVE A. ROBERTSON, DEPUTY DIRECTOR,
NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION**

Mr. ROBERTSON. Thank you very much, Senator, for holding this hearing. The American Legion applauds your leadership and the work of your staff in developing these bills.

In our written testimony, we paid a lot of emphasis at the beginning of the testimony on veterans' employment and training programs that are in jeopardy right now. We were hoping that Members of this Committee will take this message and carry the water for us as they go to their other committees, such as Appropriations, and support the continuation of DVOPs, LVERs, TAP, right on down the list. We need those. These other programs are critical to the success of the bills that you have introduced and that we're talking about today. If that system is not there, we are going to be in trouble.

As far as S. 2515, we are a longtime advocate of VJTA. We know that there are a lot of veterans from the Korean era and the Vietnam era that owe their job that they have today to this program. It is one program that has worked. Before I came to work for The American Legion, I was a DVOP in North Dakota. The problem was that there was never enough money. By the time that our share of the pie got down to the jobs service office that I worked in, we were only able to put two or three people into a program funded by VJTA.

I would also like to compliment you on your introduction of S. 2231. The American Legion sees this as a tremendous step in providing educational benefits for the Desert Storm veterans. The key factors that reservists and National Guard members that were activated for Desert Storm would be able to apply for the full benefits. In 1984, on the 40th anniversary of the GI Bill, Members of Congress stood up, one after the other, and began to talk about how the GI Bill made a difference in their life. Right now, I can tell you it is making a difference in people's lives. Instead of being able to go to school, they have got to go find a job to support their family and their educational benefit is just going by the wayside.

With regard to S. 2647, we support the position. We feel that the monthly benefits levels are much too low. We support the DVOP formula. The only thing that we are concerned about is our organization believes that there needs to be about 1,900 DVOPs and we're hoping that this change in formula will not impact on that number.

Under the Montgomery GI Bill, in the lifetime of the act there has only been one increase, and that was in 1991 during Desert Storm when it got a 17-percent increase. We were totally shocked when we saw the President's proposal for the Pell Grants. We don't oppose the Pell Grants, we have no problem with that. But that's a tremendous increase, 50 percent, if I'm not mistaken. That's a program where the participants in the Pell Grant do not make a contribution. The veteran pays \$1,200 just to get into the program. We fail to see the equity in this.

In our written statement, we went into great detail about why we feel that the GI Bill needs to be brought up to current speed with the benefits that were received by the Vietnam veterans, the World War II veterans, and the Korean war veterans. We appreciate your leadership on this.

We are getting a lot of messages from the recently separated veterans that are coming out both voluntarily and involuntarily. There is major concern that they don't know what they are going to do. I have got a young lady that just joined my National Guard unit that came off of active duty. She went into the service at 17 years of age, spent 5 years, and she's 22 now. She has never looked for a job; she has absolutely no idea what to do. When she was doing her out-processing, she asked about the TAP program. Her commander informed her it was a waste of time. This has got to be corrected. We have got to have the active support of commanders; we have got to have the active support of the Department of Labor, and I don't know a DVOP or LVER that won't go over the cliff trying to help these young troops because they know that they are talented and they know that they are marketable.

That concludes our statement. I will be willing to answer any questions.

[The prepared statement of Mr. Robertson appears on p. 148.]

Senator DeCONCINI. Thank you, Mr. Robertson.

Let me ask you all to respond to the issue here that keeps coming up on the success or nonsuccess, effectiveness or noneffectiveness of the VJTA.

Mr. Drach, you say it worked relatively well. Mr. Robertson, I think you said it was highly successful. I am interested in addressing the administrative weaknesses of the old VJTA so we don't repeat them. And somewhat in line with the Department of Veterans Affairs' assessment of what some believe to be a design flaw, in S. 2515, AMVETS urges that we consolidate responsibility and funding for the program under Department of Labor, limiting the DVA's role to advising Labor of changes in the veterans population.

Let me start with you, Mr. Manhan, and just go down the line. What do you think about amending S. 2515 to give payment responsibilities to Department of Labor rather than have the Department of Veterans Affairs make the payments.

Mr. MANHAN. Mr. Chairman, if the VFW were running the program as Department of Labor, we would want all of the available resources to make it a success. Therefore, the VFW would favor DOL having the funding responsibility for all veteran employment programs.

Senator DeCONCINI. And you would include the payments.

Mr. MANHAN. Yes. I think if anyone can do it, DOL can do it better than the Department of Veterans Affairs in the area of veteran employment or job training leading to employment.

Senator DeCONCINI. Thank you. Mr. Drach.

Mr. DRACH. A couple of things, Mr. Chairman. First of all, I think while we're talking about the same concept that we talked about several years ago, we're talking about different populations to be served—the recently separated, for the most part. We have no experience to speak of with the recently separated and their ability to impact on the labor force. We have a different economy than we had back in the 1980s, we're in a recession but there is some indications that we're slowly but surely coming out of the recession after almost 2 years. What that portends for an employer's willingness to hire veterans of whatever era or period of service remains to be seen.

But I think there are a couple of things that your bill does that buffers against some of the problems that we had in the past. Three things, in particular. The on/off funding I think is probably the singlemost problem that existed in the old program. Employers would get all psyched up for it and all of a sudden there was no money. They finally just said enough is enough, we're not going to be bothered with it anymore. So I think that is probably the biggest one.

The two things that I really think go a long way toward providing additional incentives are actually taking away disincentives, and that's the accommodations you provide for disabled veterans. I want to point out that accommodations generally are not very expensive. There are studies that show that they are relatively inexpensive, but employers don't know that. Employers are afraid to look at hiring somebody in a wheelchair, somebody that's visually impaired because they don't know what the accommodations are going to be. But your incentive there I think takes away a disincentive, and I think that's very important.

The same thing with the incentive that would allow up to \$1,500 for the providing of tools, transportation, and child care. I remember back in the 1980s hearing that problem from DVOPs and LVERs—gee, I have an opportunity for Joe to go to work at such and such but he/she doesn't have the necessary tools. Back then I know that the DAV and other veterans organizations, through our local chapters and departments, sometimes paid for those tools, and maybe those individuals are still working today.

So I think those three things are crucial and I think you handle them very well in the bill.

The final thing, getting back to the payment process, I am not totally convinced one way or the other which is the best way to go. Certainly, the Department of Veterans Affairs has a long experience, not totally uncriticized, in providing payments for the GI Bill. Certainly, the States have experience in providing payments

through the unemployment insurance program. But I still think that we have to be considerate of the problem of decentralization. If you give it to the States, how do you allocate it, how much do you give them, when do you give it to them? You could be creating a new administrative nightmare that is almost unmanageable. Plus, where does the veteran or the veteran's advocate go when payments aren't received? We know now that if the payment is late or whatever, we can go to the VA regional office and try to track it. If it is given to the States, we don't know how that system works. So the veterans organizations trying to help veterans make sure the payments are timely I think would be at a disadvantage to help the veteran break through that red tape.

Senator DECONCINI. You are leaning toward leaving it with Department of Veterans Affairs?

Mr. DRACH. If I had to make a decision right now, I would say leave it with the Department of Veterans Affairs.

Senator DECONCINI. Mr. Brinck.

Mr. BRINCK. I think what we have to remember here is the purpose of this program is to provide a lifetime of employment, not a temporary training program. AMVETS feels that the Department of Labor's expertise in doing training and providing entry into the job market far exceeds that of the Department of Veterans Affairs. We can quibble about whether there is in place a payment methodology or mechanism, but in the end, what we have to worry about is, after all the payments are done, regardless of who gives the payments, is the veteran (a) going to be trained, and (b) will there be a job waiting for him or her when they complete that training. We strongly feel that the Department of Labor, under ASVET, has the expertise to do that and, therefore, should be given the responsibility and the funding to make that happen.

Senator DECONCINI. Mr. Dupree.

Mr. DUPREE. Mr. Chairman, I agree with what AMVETS is saying, but I think another important part of the problem is timeliness of payment. We have hearings all the time on timeliness of everything, especially the adjudication process in the VA system. So once you start the "Administrivial Pursuit," which I like to call it, when you have two organizations trying to figure out what each one is doing, maybe the Department of Labor should manage the whole program due to the timeliness issue if nothing else.

Senator DECONCINI. I think what was encouraging is they both indicated that, if this passed, they could work that out one way or the other. I believe that they have the leadership to do that. I am just trying to focus myself on which is the best way. You gentlemen are a lot closer to it than I am.

Mr. Robertson.

Mr. ROBERTSON. Yes, sir. First of all, this program was created specifically for the veterans. I think that there needs to be the checks and balance system set up to where if it is my money and you are spending it, I am going to watch how you do it because it is tight dollars across the board. DOL has a program called Job Training Partnership Act; it gets a heck of a lot of money. So I think that maintaining it in the Department of Veterans Affairs area is much, much better.

Senator DECONCINI. Well, you've thoroughly confused me.
[Laughter.]

Witnesses here all coming down on different sides. I appreciate your testimony and I want to thank you for taking the time, gentlemen, to review these bills and give us really constructive suggestions. The purpose of these bills is to provide services to your members, and to those who are not your members but who are veterans. You represent them well. We may submit some additional questions to you that we would ask you to respond to.

Again, thank you very much for being with us today.

This concludes the hearing. The Committee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:57 a.m., the Committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

II

102D CONGRESS
2D SESSION

S. 2515

To authorize the establishment of job training programs for unemployed veterans and persons who have been recently separated from the Armed Forces, to pay certain assistance and benefits to employers of such veterans and persons, such veterans, and such persons to defray certain costs relating to the provision of such training, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 2 (legislative day, MARCH 26), 1992

Mr. DECONCINI (for himself, Mr. GRAHAM, Mr. AKAKA, and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To authorize the establishment of job training programs for unemployed veterans and persons who have been recently separated from the Armed Forces, to pay certain assistance and benefits to employers of such veterans and persons, such veterans, and such persons to defray certain costs relating to the provision of such training, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Veterans' Employment
5 and Training Act of 1992".

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to address the problem
3 of severe and often continuing unemployment among vet-
4 erans by providing incentives to certain employers to per-
5 mit such employers to defray the costs of training veterans
6 (including veterans who have been recently separated from
7 an Armed Force as a result of the current reduction in
8 the size of the Armed Forces) and to encourage such em-
9 ployers to employ and train such veterans in stable and
10 permanent positions of employment for which significant
11 training is required.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) The term "Secretary" means the Secretary
15 of Veterans Affairs.

16 (2) The terms "veteran", "Armed Forces",
17 "compensation", "service-connected", "State", and
18 "active military, naval, or air service" have the
19 meanings given such terms in paragraphs (2), (10),
20 (13), (16), (20), and (24) of section 101 of title 38,
21 United States Code, respectively.

22 **SEC. 4. AUTHORITY TO CARRY OUT PROGRAMS.**

23 (a) **IN GENERAL.**—In accordance with the provisions
24 of this Act, the Secretary and the Secretary of Labor shall
25 assist eligible veterans in obtaining employment with eligi-
26 ble employers in permanent and stable positions of em-

1 ployment that require significant training. Assistance shall
2 be provided under this Act through—

3 (1) the payment of training assistance to em-
4 ployers who employ and train eligible veterans in
5 such positions to assist such employers in defraying
6 the costs of such training; and

7 (2) the provision to such veterans of training
8 benefits and appropriate counseling to assist such
9 veterans in receiving such training.

10 (b) ASSISTANCE IN CARRYING OUT PROGRAM.—The
11 Secretary of Labor shall carry out that Secretary's respon-
12 sibilities under this Act through the Assistant Secretary
13 of Labor for Veterans' Employment and Training referred
14 to in section 4102A of title 38, United States Code.

15 **SEC. 5. ELIGIBILITY OF VETERANS FOR PARTICIPATION IN**
16 **JOB TRAINING PROGRAMS.**

17 (a) IN GENERAL.—A veteran may participate in a job
18 training program under this Act if—

19 (1) the veteran is eligible for such participation
20 under subsection (b);

21 (2) the veteran submits to the Secretary of
22 Labor an application for a certificate of eligibility
23 for participation in the program under subsection
24 (c); and

1 (3) the Secretary of Labor issues such a cer-
2 tificate to the veteran under subsection (d).

3 (b) ELIGIBILITY.—(1) A veteran is eligible to partici-
4 pate in a job training program if—

5 (A) the veteran—

6 (i) is unemployed at the time the veteran
7 submits an application for a certificate of eligi-
8 bility for participation under subsection (c); and

9 (ii) has been unemployed for at least 10 of
10 the 15 weeks immediately preceding the date of
11 the veteran's commencement of participation in
12 the program; or

13 (B) the veteran was separated from active mili-
14 tary, naval, or air service not more than 10 weeks
15 before the commencement of such participation.

16 (2) For purposes of paragraph (1), the term "vet-
17 eran" means a veteran who—

18 (A) performed service in the active military,
19 naval, or air service for a period of more than 90
20 days; or

21 (B) was discharged or released therefrom for a
22 service-connected disability.

23 (3) For the purposes of paragraph (1), a veteran
24 shall be considered to be unemployed during any period

1 that the veteran is not employed and wants and is avail-
2 able for employment.

3 (c) APPLICATION FOR CERTIFICATE OF ELIGI-
4 BILITY.—(1) A veteran who desires to participate in a job
5 training program under this Act shall submit to the Sec-
6 retary of Labor an application for a certificate of eligibility
7 for participation in such a program. Such an application
8 shall—

9 (A) include a statement by the veteran that th
10 veteran meets the criteria for eligibility referred to
11 in subsection (b); and

12 (B) contain such other information as the Sec-
13 retary of Labor shall prescribe.

14 (2) The Secretary of Labor shall prescribe the form
15 of an application under this subsection.

16 (d) CERTIFICATE OF ELIGIBILITY.—(1) Subject to
17 paragraph (2), the Secretary of Labor shall issue to each
18 veteran who meets the eligibility requirements referred to
19 in subsection (b) and who submits an application for a
20 certificate of eligibility under subsection (c) a certificate
21 of eligibility for participation in a job training program
22 under this Act.

23 (2) The Secretary of Labor may withhold the issu-
24 ance of a certificate of eligibility under this subsection to
25 any veteran if the Secretary of Labor determines that it

1 is necessary to limit the number of veterans who partici-
2 pant in job training programs under this Act by reason
3 of a lack of funds to carry out such programs.

4 (e) APPEAL OF DENIAL OF CERTIFICATE.—The Sec-
5 retary of Labor shall permit each veteran who is not is-
6 sued a certificate of eligibility under subsection (d) (other
7 than a veteran who is not issued such a certificate by rea-
8 son of paragraph (2) of that subsection) to challenge in
9 a hearing before the Secretary of Labor the failure of the
10 Secretary of Labor to issue the certificate. The Secretary
11 of Labor shall prescribe procedures with respect to the ini-
12 tiation and conduct of hearings under this subsection.

13 (f) PERIOD FOR COMMENCEMENT OF PARTICIPATION
14 UNDER CERTIFICATE.—A veteran who is issued a cer-
15 tificate of eligibility for participation in a job training pro-
16 gram under this section shall commence participation in
17 such a program not more than 90 days after the date of
18 the issuance of the certificate. The date on which a cer-
19 tificate is furnished to a veteran shall be stated on the
20 certificate.

21 (g) RENEWAL OF CERTIFICATE.—A veteran may
22 apply for a renewal of a certificate of eligibility for partici-
23 pation in a job training program (including a renewal of
24 a renewed certificate). The application for the renewal of

1 any such certificate shall be treated as an initial applica-
2 tion for such a certificate under this section.

3 **SEC. 6. EMPLOYER JOB TRAINING PROGRAMS.**

4 (a) **IN GENERAL.**—Job training shall be provided to
5 veterans under this Act by eligible employers through job
6 training programs that meet the requirements of this sec-
7 tion.

8 (b) **ELIGIBLE EMPLOYERS.**—An employer is eligible
9 to provide job training to veterans through a job training
10 program under this Act if, as determined by the Secretary
11 of Labor, the employer intends to provide such training
12 in a field of employment providing the reasonable prob-
13 ability of stable, long-term employment.

14 (c) **REQUIREMENTS OF JOB TRAINING PROGRAMS.**—
15 Except as provided in subsection (d) and subject to sub-
16 sections (f) and (g), in carrying out a job training program
17 under this Act, an employer shall agree as follows:

18 (1) To identify a stable and permanent position
19 of employment of the employer—

20 (A) in which there is a vacancy at the time
21 of the identification;

22 (B) that requires an employee with signifi-
23 cant training; and

24 (C) for which the employer is willing to
25 provide such training.

1 (2) To devise a training program of such period
2 and having such content, training materials, and in-
3 structors as are necessary to provide an employee
4 with such training.

5 (3) To employ and train in the position on a
6 full-time basis a veteran who—

7 (A) has been issued a certificate of eligi-
8 bility for participation in such a program under
9 section 5(d); and

10 (B) is not already qualified for employment
11 in that position by reason of prior training or
12 experience.

13 (4) To provide the veteran with such training
14 for a period that is not longer than the period cus-
15 tomarily required by similar employers in the com-
16 munity of the employer, if any, to provide similar
17 training to the employees of such employers.

18 (5) During such employment and training, to
19 provide the veteran with compensation and other
20 benefits that are similar to the compensation and
21 other benefits provided by the employer to non-vet-
22 eran employees during such training.

23 (6) If practicable, to employ the veteran in that
24 position upon the veteran's completion of the pro-
25 gram.

1 (d) RESTRICTIONS ON EMPLOYMENT POSITIONS.—

2 An employer may not employ a veteran in a job training
3 program under this Act if—

4 (1) the training is for a position of
5 employment—

6 (A) that consists of seasonal, intermittent,
7 or temporary employment;

8 (B) for which the primary pay is commis-
9 sions;

10 (C) that includes political or religious ac-
11 tivities; or

12 (D) in any department, agency, instrumen-
13 tality, or branch of the Federal Government
14 (including the United States Postal Service or
15 the Postal Rate Commission);

16 (2) the training under the program will not be
17 carried out in the United States; or

18 (3) the employment of the veteran during the
19 training—

20 (A) will result in the displacement (includ-
21 ing any reduction in hours of non-overtime
22 work, wages, or employment benefits or other
23 partial displacement) of employees currently
24 employed by the employer; or

25 (B) will be in a position of employment—

10

1 (i) while any other employee of the
2 employer is currently laid off from the po-
3 sition or a substantially similar position; or

4 (ii) for which there is a vacancy as a
5 result of the employer's reduction of the
6 workforce of the employer (including the
7 termination of any regular employee) for
8 the purpose of employing the veteran
9 under the program.

10 (e) JOB TRAINING THROUGH EDUCATION.—An eligi-
11 ble employer may provide job training to veterans under
12 this Act, in whole or in part, by permitting such veterans
13 to pursue or enroll in programs of education that—

14 (1) are offered by educational institutions that
15 meet the requirements of chapter 36 of title 38,
16 United States Code; and

17 (2) do not violate any provision of that chapter.

18 (f) LIMITATIONS ON TRAINING PERIODS.—(1) Ex-
19 cept as provided in paragraph (2), an employer shall pro-
20 vide a period of training under a job training program
21 under this Act of not less than six months or more than
22 two years.

23 (2) An employer may provide a period of training
24 under a job training program of three months to six
25 months if the Secretary of Labor determines that a pro-

1 gram of training of that period will satisfy the purposes
2 of a job training program under this Act.

3 (g) **ADDITIONAL REQUIREMENTS.**—The Secretary of
4 Labor may prescribe such additional requirements with re-
5 spect to job training programs under this section as the
6 Secretary of Labor determines are necessary to carry out
7 the purposes of this Act.

8 **SEC. 7. APPROVAL OF EMPLOYER JOB TRAINING PRO-**
9 **GRAMS.**

10 (a) **IN GENERAL.**—The Secretary of Labor shall ap-
11 prove each job training program established by an em-
12 ployer under this Act. The Secretary of Labor shall ap-
13 prove such programs in accordance with this section.

14 (b) **SUBMITTAL OF APPLICATION FOR APPROVAL.**—
15 An employer who intends to carry out a job training pro-
16 gram under this Act shall submit to the Secretary of
17 Labor an application for approval of that program. The
18 application for approval shall contain the following:

19 (1) A statement that the employer is an eligible
20 employer under section 6(b).

21 (2) A statement that the proposed job training
22 program of the employer meets the requirements for
23 such programs established in section 6, together
24 with such documentation to support that statement
25 as the Secretary of Labor may prescribe.

1 (3) A statement of—

2 (A) the total number of hours of participa-
3 tion required of a veteran under the program;

4 (B) the number of weeks that the veteran
5 will participate in the program; and

6 (C) the starting wages (and other com-
7 pensation) of the veteran under the program.

8 (4) A description of—

9 (A) the training objective of the program;
10 and

11 (B) the training content of the program
12 (including the intent, if any, of the employer to
13 permit the veteran to pursue or enroll in a pro-
14 gram of education under section 6(e)).

15 (5) In the event that training under the pro-
16 gram will include a veteran's pursuit of or enroll-
17 ment in a program of education under section 6(e),
18 a statement of the manner in which such training
19 will include the program of education.

20 (e) APPROVAL OF THE SECRETARY OF LABOR.—The
21 Secretary of Labor shall approve a job training program
22 of an employer under this section if the Secretary of Labor
23 determines from the information contained in the applica-
24 tion for approval submitted by the employer under sub-

1 section (b) that the program meets the requirements for
2 such a program under this Act.

3 (d) APPRENTICESHIP PROGRAMS.—(1) Except as
4 provided in paragraph (2), a program of apprenticeship
5 or other on-job training that meets the requirements of
6 section 3687 of title 38, United States Code, shall be con-
7 sidered to be a job training program that is approved by
8 the Secretary of Labor under this section.

9 (2) A program of apprenticeship or other on-job
10 training shall not be considered to be a job training pro-
11 gram that is approved by the Secretary of Labor under
12 this subsection if it provides for apprenticeship or training
13 for any position of employment referred to in section
14 6(d)(1).

15 (e) DISCONTINUATION OF APPROVAL.—(1) The Sec-
16 retary of Labor may discontinue approval of any job train-
17 ing program previously approved under subsection (c) if
18 the Secretary of Labor determines that—

19 (A) the program no longer meets the require-
20 ments of an approved program under this section; or

21 (B) the rate of the successful completion of the
22 program by participating veterans is unacceptably
23 low (when compared with rates of such completion
24 for other such programs) by reason of deficiencies in
25 the program.

1 (2) In making the determination referred to in para-
2 graph (1)(B), the Secretary of Labor shall take into ac-
3 count any information that the Secretary of Labor consid-
4 ers to be relevant, including—

5 (A) the information collected in the quarterly
6 assessment referred to in section 17(b) relating to—

7 (i) the number of veterans who are pro-
8 vided with job training under this Act;

9 (ii) the number of veterans who receive
10 counseling in connection with job training pro-
11 vided under this Act;

12 (iii) the number of veterans who complete
13 such training; and

14 (iv) in the case of veterans who do not
15 complete such training, the reasons for such
16 lack of completion; and

17 (B) data compiled through employer compliance
18 surveys.

19 (3) A job training program that is disapproved by the
20 Secretary of Labor under paragraph (1) shall not be an
21 approved job training program for the purposes of this
22 section.

23 (4)(A) Upon disapproving a job training program
24 under this subsection, the Secretary of Labor shall notify
25 the employer carrying out the program and any veterans

1 participating in the program of that disapproval. The no-
2 tice shall contain—

3 (i) a statement of the reasons for that Sec-
4 retary's disapproval of the program; and

5 (ii) a statement that the employer and such vet-
6 erans are entitled to challenge the disapproval in a
7 hearing before the Secretary of Labor.

8 (B) Any notice under this paragraph shall be by cer-
9 tified or registered letter, return receipt requested.

10 (5)(A) The Secretary of Labor may reapprove any
11 program that the Secretary of Labor has disapproved
12 under paragraph (1) if the Secretary of Labor determines
13 that the employer has taken appropriate remedial actions
14 with respect to those matters upon which the Secretary
15 of Labor based the disapproval.

16 (B) A program that is reapproved under this para-
17 graph shall be considered to be a job training program
18 that is approved by the Secretary of Labor for the pur-
19 poses of this section.

20 **SEC. 8. PAYMENTS OF TRAINING ASSISTANCE AND OTHER**
21 **ASSISTANCE TO EMPLOYERS.**

22 (a) **IN GENERAL.**—The Secretary shall pay training
23 assistance to employers who provide job training to vet-
24 erans in job training programs under this Act.

1 (b) AMOUNT OF PAYMENT.—(1) Subject to para-
2 graph (2), for each payment period referred to in sub-
3 section (c) during which an employer provides job training
4 to a veteran under this Act, the Secretary shall pay train-
5 ing assistance to the employer of the veteran on behalf
6 of the veteran in an amount equal to 50 percent of the
7 product of—

8 (A) the rate of the starting hourly wage (ex-
9 cluding overtime or premium pay) of the veteran
10 under the program; and

11 (B) the number of hours worked by the veteran
12 during the period.

13 (2) The amount paid to an employer on behalf of a
14 veteran in any year under paragraph (1) may not exceed
15 \$5,000.

16 (c) PAYMENT PERIOD.—(1) Except as provided in
17 paragraph (2), the Secretary shall pay training assistance
18 to employers under this section on a quarterly basis.

19 (2) The Secretary may pay training assistance to an
20 employer on a monthly basis if the Secretary determines
21 (pursuant to regulations prescribed by the Secretary) that
22 the number of employees of the employer is such that the
23 payment of assistance on a quarterly basis would be bur-
24 densome to the employer.

1 (d) APPROVAL OF SECRETARY OF LABOR.—The Sec-
2 retary shall pay training assistance to an employer for a
3 quarterly or monthly period (as the case may be) after—

4 (1) the Secretary of Labor receives the cer-
5 tifications with respect to that period referred to in
6 subsection (e);

7 (2) the Secretary of Labor approves of the pay-
8 ment of such assistance for that period based upon
9 such certifications; and

10 (3) the Secretary of Labor transmits notice of
11 such approval to the Secretary.

12 (e) CERTIFICATIONS RELATING TO PAYMENT.—(1)
13 Subject to paragraph (2), with respect to each period for
14 which an employer seeks payment of training assistance
15 on behalf of a veteran under this section, the following
16 shall be submitted to the Secretary of Labor:

17 (A) By the employer, a certification—

18 (i) that the employer provided the veteran
19 with training during the period;

20 (ii) of the number of hours worked by the
21 veteran in the program during the period; and

22 (iii) that the progress of the veteran in the
23 training program during the period was satis-
24 factory.

1 (B) By the veteran, a certification that the vet-
2 eran was provided with job training by the employer
3 in a job training program on a full-time basis during
4 the period.

5 (2) The first certification submitted to the Secretary
6 of Labor by an employer under paragraph (1)(A) and by
7 a veteran under paragraph (1)(B) shall include—

8 (1) the date on which the veteran commenced
9 participation in the job training program; and

10 (2) the rate of the starting hourly wage of the
11 veteran under the program.

12 (f) PAYMENT OF ASSISTANCE TO ACCOMMODATE
13 DISABLED VETERANS.—(1) The Secretary shall pay ac-
14 commodation assistance to employers who provide job
15 training to disabled veterans under this Act to permit such
16 employers to make modifications of the facilities or equip-
17 ment of such employers on behalf of such veterans to fa-
18 cilitate the training and employment of such veterans.

19 (2) To be eligible for the payment of accommodation
20 assistance for modifications of facilities or equipment
21 made on behalf of a disabled veteran under this sub-
22 section, an employer shall submit to the Secretary of
23 Labor—

24 (A) prior to the commencement of such modi-
25 fications, a detailed proposal relating to such modi-

1 fications, including the estimated cost of such modi-
2 fications; and

3 (B) upon the completion of such modifications,
4 any documentation that the Secretary may require
5 that indicates (i) that the employer has completed
6 such modifications, and (ii) the final cost of such
7 modifications.

8 (3)(A) The Secretary of Labor shall—

9 (i) approve each proposal for modifications sub-
10 mitted to the Secretary of Labor under paragraph

11 (2)(A);

12 (ii) approve the cost of each modification indi-
13 cated in the documentation submitted to the Sec-
14 retary of Labor under paragraph (2)(B); and

15 (iii) transmit a notice of each such approval to
16 the Secretary.

17 (B) The Secretary of Labor shall approve the cost
18 of a modification of facilities or equipment under para-
19 graph (A)(ii) only if the Secretary of Labor determines
20 that the cost of the modification is reasonable.

21 (4) The Secretary shall pay as accommodation assist-
22 ance under this subsection the cost of any modification
23 approved by the Secretary of Labor under paragraph
24 (3)(A)(ii). The total amount of accommodation assistance
25 payable to an employer for modifications made by the em-

1 ployer on behalf of a disabled veteran under this sub-
2 section may not exceed \$3,000.

3 (5) Each employer paid accommodation assistance
4 under this subsection shall permit the Secretary of Labor
5 reasonable access to the facilities and equipment of the
6 employer to enable the Secretary of Labor to ensure that
7 the employer has made the modifications of such facilities
8 and equipment in accordance with the proposals and docu-
9 mentation submitted to the Secretary of Labor by the em-
10 ployer.

11 (6) For the purposes of this subsection, modifications
12 of facilities or equipment on behalf of a disabled veteran
13 shall include any improvement, alteration, or purchase of
14 facilities or equipment that is necessary to make the facili-
15 ties or equipment readily accessible to, and usable by, a
16 disabled veteran.

17 (g) OVERPAYMENT.—(1) A payment of training as-
18 sistance (other than accommodation assistance under sub-
19 section (f)) to an employer on behalf of a veteran for a
20 quarterly or monthly period, as the case may be, shall be
21 an overpayment of assistance for that period if the Sec-
22 retary or the Secretary of Labor determines that—

23 (A) during that period, the employer—

24 (i) has failed to comply in material respect
25 with the requirements of this Act; and

1 (ii) is responsible for such failure;

2 (B) the payment is based upon the willful sub-
3 mittal by the employer to the Secretary of Labor in
4 a certification under subsection (d)(1)(A) of material
5 information that the employer knows to be false;

6 (C) the payment is based upon the willful or
7 negligent submittal by the veteran to the employer
8 of any material information that is false;

9 (D) the payment is based upon the willful or
10 negligent submittal by the veteran to the Secretary
11 of Labor in an application for a certificate of eligi-
12 bility for participation in the program under section
13 5(b) of any material information that is false; or

14 (E) the payment is based upon the willful or
15 negligent submittal by the veteran to the Secretary
16 of Labor in a certification under subsection
17 (d)(1)(B) of any material information that is false.

18 (2)(A) An employer shall be liable to the United
19 States for an overpayment referred to in subparagraph
20 (A) or (B) of paragraph (1).

21 (B) A veteran shall be liable to the United States for
22 an overpayment referred to in subparagraph (C), (D), or
23 (E) of that paragraph.

24 (h) RECOVERY OF OVERPAYMENT.—(1) Except as
25 provided in paragraph (2), the Secretary may recover an

1 overpayment under this section by any method that is pro-
2 vided by law for the recovery of amounts owing to the Fed-
3 eral Government. Any overpayment recovered shall be
4 credited to the account relating to the funds available to
5 carry out this Act. If there is no such account, any over-
6 payment recovered shall be covered into the Treasury.

7 (2) The Secretary may waive the recovery of an over-
8 payment under this section, in whole or in part, in accord-
9 ance with the provisions of section 5302 of title 38, United
10 States Code.

11 **SEC. 9. TRAINING BENEFITS FOR VETERANS.**

12 (a) IN GENERAL.—The Secretary shall pay training
13 benefits to veterans who participate in job training pro-
14 grams under this Act. The purpose of such training bene-
15 fits is to assist such veterans in defraying the cost of work-
16 related expenses. The total amount of training benefits
17 payable to a veteran by the Secretary under this section
18 may not exceed \$1,500.

19 (b) APPROVAL OF SECRETARY OF LABOR.—A vet-
20 eran shall be entitled to the payment of a training benefit
21 for work-related expenses incurred by the veteran if—

22 (1) the veteran submits to the Secretary of
23 Labor an application for payment (in such form and
24 including such documentation as the Secretary of
25 Labor may require) stating the amount of any such

1 expenses incurred by the veteran as a result of the
2 veteran's participation in a job training program
3 under this Act; and

4 (2) the Secretary of Labor approves the pay-
5 ment of a training benefit with respect to such ex-
6 penses.

7 (c) ADMINISTRATION OF PAYMENT.—The Secretary
8 of Labor, in consultation with the Secretary, shall pre-
9 scribe the manner of the payment of training benefits
10 under this section, including the period and frequency of
11 the payment of benefits to veterans and the means of en-
12 suring the prompt payment of benefits to veterans by the
13 Secretary.

14 (d) OVERPAYMENT.—(1) A veteran shall not be enti-
15 tled to the payment of a training benefit under this section
16 if the veteran terminates participation in a job training
17 program prior to the scheduled date of the completion of
18 the program by the veteran.

19 (2) In the event that the Secretary determines that
20 a veteran has been paid a training benefit to which the
21 veteran was not entitled, the amount of the benefit paid
22 to the veteran to which the veteran was not so entitled
23 shall constitute an overpayment of the benefit and a liabil-
24 ity of the veteran to the United States.

1 (e) RECOVERY OF OVERPAYMENT.—(1) Subject to
2 paragraph (2), the United States may recover an overpay-
3 ment of a training benefit from a veteran by any method
4 that is provided by law for the recovery of amounts owing
5 to the Federal Government.

6 (2) The Secretary may waive the recovery of an over-
7 payment of a training benefit, in whole or in part, in ac-
8 cordance with the provisions of section 5302 of title 38,
9 United States Code.

10 (f) DEFINITION.—For the purposes of this section,
11 the term “work-related expenses”, in the case of a veteran
12 who participates in a job training program under this Act,
13 means any expenses incurred by the veteran by reason of
14 such participation, including expenses for the purchase of
15 work clothes and tools, car or bus fare, and the provision
16 of child care.

17 **SEC. 10. PROHIBITION ON COMMENCEMENT OF JOB TRAIN-**
18 **ING PROGRAMS UNDER CERTAIN CIR-**
19 **CUMSTANCES.**

20 (a) IN GENERAL.—An employer may not provide a
21 veteran with job training under a job training program
22 if the Secretary determines that, on the date on which the
23 employer intends to commence providing such training,
24 there are insufficient funds available under this Act to
25 carry out the program.

1 (b) COMMENCEMENT OF PROGRAM.—Each employer
2 shall—

3 (1) notify the Secretary of the employer's inten-
4 tion to commence furnishing job training to a vet-
5 eran under a job training program not less than 14
6 days before such commencement; and

7 (2) commence the program in accordance with
8 that notification unless the Secretary advises the
9 employer within the 14-day period referred to in
10 paragraph (1) that there are insufficient funds avail-
11 able under this Act to carry out the program.

12 (c) ADDITIONAL REQUIREMENT RELATING TO COM-
13 MENCEMENT OF PROGRAM.—An employer who provides a
14 veteran with job training in a job training program under
15 this Act shall provide the veteran with a copy of the appli-
16 cation for approval of the program submitted by the em-
17 ployer to the Secretary of Labor under section 7(b).

18 **SEC. 11. INVESTIGATION AND MONITORING OF PROGRAMS**

19 **BY THE SECRETARY OF LABOR.**

20 (a) IN GENERAL.—(1) The Secretary of Labor shall
21 ensure that the job training programs carried out under
22 this Act (including the activities of veterans and employers
23 under such programs) are carried out in accordance with
24 the provisions of this Act. In ensuring such compliance,
25 the Secretary of Labor may investigate any matter relat-

1 ing to a job training program (including any application
2 of a veteran for a certificate of eligibility under section
3 5(e), any employer application for approval of a program
4 under section 7(b), and any program records under sub-
5 section (b) of this section).

6 (2) In conducting an investigation under paragraph
7 (1), the Secretary of Labor may enter onto the premises
8 at which an employer furnishes job training under a job
9 training program and question employees of the employer
10 (including any veterans who are provided with job training
11 under the program) with respect to the program.

12 (b) PROGRAM RECORDS.—(1) Each employer that
13 provides job training in a job training program under this
14 Act shall maintain such records of the provision of such
15 training as are necessary for the Secretary of Labor to
16 monitor the provision of such training. The Secretary of
17 Labor shall prescribe the form and content of such
18 records.

19 (2) The Secretary of Labor shall have reasonable ac-
20 cess to the records maintained by employers under para-
21 graph (1) for the purpose of monitoring the provision of
22 job training by such employers.

1 SEC. 12. COORDINATION WITH OTHER JOB TRAINING AS-
2 SISTANCE PROGRAMS.

3 (a) PROHIBITION ON RECEIPT OF CREDIT OR AS-
4 SISTANCE FOR VETERANS PARTICIPATING IN CERTAIN
5 OTHER PROGRAMS.—(1) An employer may not be paid
6 training assistance on behalf of a veteran under section
7 8 during the period referred to in paragraph (3) if, during
8 that period, the employer is allowed a tax credit or is paid
9 an allowance for that veteran under any of the following
10 provisions of law:

11 (A) Chapter 31, 32, 34, 35, or 36 of title 38,
12 United States Code.

13 (B) The Job Training Partnership Act (29
14 U.S.C. 1501 et seq.).

15 (C) Section 44B of the Internal Revenue Code
16 of 1986 (relating to tax credits for employment of
17 certain new employees).

18 (2) A veteran may not be paid training benefits under
19 section 9 during the period referred to in paragraph (3)
20 if, during that period, the veteran is paid or receives a
21 benefit or allowance under any of the provisions of law
22 referred to in subparagraphs (A) through (C) of para-
23 graph (1).

24 (3) The period referred to in this paragraph is the
25 period beginning on the date on which an employer begins
26 to provide job training to a veteran under a job training

1 program under this Act and ending on the date on which
2 the employer ceases to provide such training to the veteran
3 under the program.

4 (b) PROHIBITION ON RECEIPT OF CREDIT OR AS-
5 SISTANCE FOR VETERANS WHO COMPLETE CERTAIN
6 PROGRAMS.—An employer may not be paid training as-
7 sistence under section 8 on behalf of a veteran, and a vet-
8 eran may not be paid benefits under section 9, for partici-
9 pation of the veteran in a job training program under this
10 Act if the veteran has completed a program of job training
11 under this Act or under the Veterans' Job Training Act
12 (29 U.S.C. 1721 note).

13 **SEC. 13. COUNSELING AND CASE MANAGEMENT SERVICES.**

14 (a) AUTHORITY TO PROVIDE COUNSELING SERV-
15 ICES.—(1)(A) The Secretary and the Secretary of Labor
16 may provide the employment counseling services and em-
17 ployment guidance services referred to in subparagraph
18 (B) to veterans who are issued certificates of eligibility
19 for participation in a job training program under section
20 5(d).

21 (B) The counseling services and guidance services au-
22 thorized under this paragraph are services relating to the
23 development of any job-readiness skills and services relat-
24 ing to any other assistance that a veteran may require
25 (as determined by the Secretary and the Secretary of

1 Labor) to enable the veteran to participate in a job train-
2 ing program under this Act, including assistance relating
3 to the resolution of difficulties encountered by the veteran
4 in finding, applying for, and participating in a job training
5 program that is suitable to the veteran.

6 (2) In the event that the Secretary and the Secretary
7 of Labor exercise the authority to provide counseling serv-
8 ices to veterans under this subsection, the Secretary and
9 the Secretary of Labor shall—

10 (A) upon the issuance to a veteran of a cer-
11 tificate of eligibility for participation in a job train-
12 ing program under section 5(d), advise veterans of
13 the availability of such counseling services;

14 (B) urge such veterans to request such services;
15 and

16 (C) provide such services to veterans upon the
17 request of such veterans.

18 (3) To the extent practicable, the Secretary and the
19 Secretary of Labor shall coordinate the provision of coun-
20 seling services and guidance services under this sub-
21 section, if any, with counseling services provided under
22 section 1712A, 4103A, 4104, 7723, and 7724 of title 38,
23 United States Code.

24 (b) CASE MANAGEMENT SERVICES.—(1) The Sec-
25 retary of Labor shall establish a program of case manage-

1 ment services under which the Secretary of Labor shall
2 provide the services described in paragraph (2) to the vet-
3 erans referred to in paragraph (3) and (4).

4 (2) The Secretary of Labor shall provide case man-
5 agement services under this subsection as follows:

6 (A) By assigning to each veteran eligible for
7 such services under this subsection a case manager
8 who is a disabled veterans' outreach program spe-
9 cialist appointed pursuant to section 4103A of title
10 38, United States Code.

11 (B) By ensuring that the veteran has a per-
12 sonal interview with the outreach specialist not later
13 than 60 days after the date on which the veteran
14 commences participation in a job training program
15 under this Act.

16 (C) By ensuring that the veteran meets person-
17 ally with the outreach specialist on a monthly basis
18 for the purpose of—

19 (i) preventing the unnecessary voluntary or
20 involuntary termination of the veteran from the
21 program;

22 (ii) referring the veteran to appropriate
23 counseling, if necessary;

24 (iii) following the veteran's progress in the
25 program;

1 (iv) facilitating the veteran's successful
2 completion of the program; and

3 (v) assessing the veteran's participation in
4 and, as applicable, completion of the program.

5 (3)(A) Except as provided in subparagraph (B), the
6 Secretary of Labor shall provide case management serv-
7 ices under this subsection to any veteran who—

8 (i) is issued a certificate of eligibility for par-
9 ticipation in a job training program under this Act;
10 and

11 (ii) notifies the Secretary of Labor that the vet-
12 eran has identified an employer with which the vet-
13 eran will participate in such a program.

14 (B) The Secretary of Labor is not required to provide
15 a veteran with case management services referred to in
16 paragraph (2)(C) if—

17 (i) on the basis of a personal interview between
18 the veteran and an outreach specialist under para-
19 graph (2)(B), the outreach specialist recommends
20 that the veteran does not need such services and the
21 Secretary of Labor ratifies that recommendation; or

22 (ii) the Secretary of Labor determines that—

23 (I) the employer of the veteran under the
24 program has an appropriate and effective em-

1 ployee assistance program that is available to
2 the veteran; or

3 (II) the rate of successful completion of
4 the program by veterans on the date the vet-
5 eran intends to commence participation in the
6 program (either during the course of the entire
7 program or during the calendar year preceding
8 that date) is more than 60 percent.

9 (4) Notwithstanding paragraph (3), the Secretary of
10 Labor, after consultation with the Secretary, shall provide
11 case management services under this section to each
12 veteran—

13 (A) whose participation in a job training pro-
14 gram is terminated (either voluntarily or involuntar-
15 ily); and

16 (B) who applies to the Secretary of Labor for
17 a certificate of eligibility for participation in another
18 such program under section 5(c).

19 (d) COUNSELING INFORMATION.—(1) The Secretary
20 and the Secretary of Labor shall carry out a program to
21 provide to veterans who participate in job training pro-
22 grams under this Act information relating to the availabil-
23 ity and scope of the following:

24 (A) The counseling services and guidance serv-
25 ices, if any, provided under subsection (a).

1 (B) The case management services, if any, pro-
2 vided under subsection (b).

3 (C) The supportive services and resources avail-
4 able to service-connected disabled veterans and vet-
5 erans who are recently separated from military serv-
6 ice under part C of title IV of the Job Training
7 Partnership Act (29 U.S.C. 1721 et seq.).

8 (D) Any additional counseling services, guid-
9 ance services, and other support services and re-
10 sources available to veterans through appropriate
11 Federal, State, and local agencies.

12 (2) In order to facilitate the provision of services and
13 information to veterans under paragraph (1), the Sec-
14 retary and the Secretary of Labor shall advise the veterans
15 referred to in that paragraph of the availability, if any,
16 of such services and information not later than the date
17 upon which the Secretary of Labor issues a certificate of
18 eligibility for participation in a job training program under
19 section 5(d).

20 (e) PAYMENT FOR THE PROVISION OF COUNSELING
21 AND OTHER SERVICES.—(1) Notwithstanding any other
22 provision of law, the Secretary may enter into contracts
23 with appropriate entities or individuals for the provision
24 by such entities or individuals of counseling services, guid-
25 ance services, case management services, or other services

1 under this section. Such contracts shall contain any terms
2 or conditions that the Secretary determines to be nec-
3 essary to ensure the appropriate provision of such services
4 and to protect the interests of the United States.

5 (2) The Secretary may pay entities or individuals for
6 the provision of services under paragraph (1) in accord-
7 ance with the contracts entered into with such entities or
8 individuals under that paragraph. Any such payments
9 shall be made from the account relating to the funds avail-
10 able for readjustment benefits referred to in section
11 3104(a)(7)(B) of title 38, United States Code.

12 (3) The total amount that the Secretary may pay out
13 of the account referred to in paragraph (2) for the provi-
14 sion of services under this subsection in any fiscal year
15 may not exceed an amount equal to 2 percent of the
16 amount obligated to carry out the purposes of this Act
17 in that fiscal year.

18 **SEC. 14. INFORMATION AND OUTREACH SERVICES.**

19 (a) INFORMATION AND OUTREACH SERVICES.—Sub-
20 ject to subsection (b), the Secretary and the Secretary of
21 Labor shall carry out a program of public information and
22 outreach under which program the Secretary and the Sec-
23 retary of Labor shall—

1 (1) inform veterans of the job training pro-
2 grams (and other employment opportunities) pro-
3 vided for under—

4 (A) this Act;

5 (B) chapters 30, 31, 36, 41, and 42 of title
6 38, United States Code; and

7 (C) any other applicable provisions of law,
8 as determined by the Secretary and the Sec-
9 retary of Labor;

10 (2) inform private businesses (including small
11 businesses), appropriate public agencies and organi-
12 zations, institutions of higher education, trade asso-
13 ciations, and labor organizations of such training
14 programs and employment opportunities; and

15 (3) promote the development of job training
16 and employment opportunities for veterans by—

17 (A) encouraging employers to create job
18 training programs under this Act;

19 (B) advising appropriate Federal depart-
20 ments and agencies of the authority provided
21 for under this Act for the establishment of job
22 training programs; and

23 (C) advising employers of the responsibil-
24 ities of employers of veterans under chapters 41
25 and 42 of title 38, United States Code.

1 (b) COORDINATION OF PROGRAMS.—To the extent
2 practicable, the Secretary and the Secretary of Labor shall
3 coordinate the provision of public information and out-
4 reach program under this section with the provision of job
5 counseling, placement, development, and other services
6 under chapters 41 and 42 of title 38, United States Code,
7 and with the provision of similar services offered by other
8 Federal, State and local agencies and organizations.

9 **SEC. 15. ADDITIONAL ASSISTANCE AND RESOURCES.**

10 (a) PERSONNEL.—(1) The Secretary shall make
11 available in regional and local offices of the Department
12 of Veterans Affairs, and the Secretary of Labor shall make
13 available in regional and local offices of the Department
14 of Labor, such personnel as are necessary to carry out
15 the provisions of this Act.

16 (2) In carrying out the responsibilities of the Sec-
17 retary of Labor under this Act, the Secretary of Labor
18 shall, to the maximum extent practicable, make use of the
19 services of Directors for Veterans' Employment and
20 Training and Assistant Directors for Veterans' Employ-
21 ment and Training appointed under section 4103 of title
22 38, United States Code, disabled veterans' outreach pro-
23 gram specialists appointed pursuant to section 4103A of
24 that title, and local veterans' employment representatives
25 appointed under section 4104 of that title.

1 (b) ASSISTANCE OF SMALL BUSINESS ADMINISTRA-
2 TION.—(1) The Secretary of Labor shall obtain from the
3 Administrator of the Small Business Administration a list
4 of small businesses that are suitable businesses (as deter-
5 mined by the Administrator in consultation with the Sec-
6 retary of Labor) to carry out job training programs under
7 this Act.

8 (2) The Administrator of the Small Business Admin-
9 istration shall update the list referred to in paragraph (1)
10 on a regular basis (as determined by the Secretary of
11 Labor).

12 (c) USE OF RESOURCES AVAILABLE UNDER JOB
13 TRAINING PARTNERSHIP ACT.—(1) To facilitate the car-
14 rying out of job training programs under this Act, the Sec-
15 retary of Labor shall, to the extent practicable, use such
16 resources as are available to assist service-connected dis-
17 abled veterans and veterans who are recently separated
18 from military service under part C of title IV of the Job
19 Training Partnership Act (29 U.S.C. 1721 et seq.).

20 (2) The Secretary of Labor shall assist veterans who
21 are denied certificates of eligibility for participation in job
22 training programs under section 5 in taking advantage of
23 any opportunities available to such veterans under any
24 programs carried out pursuant to title III of the Job
25 Training Partnership Act (29 U.S.C. 1651 et seq.) or

1 under any other similar programs that are carried out
2 with funds made available to the Secretary of Labor.

3 **SEC. 16. PILOT PROGRAM OF EMPLOYMENT SERVICES FOR**
4 **HOMELESS VETERANS.**

5 (a) IN GENERAL.—(1) In each of fiscal years 1993
6 through 1997, the Secretary of Labor shall award grants
7 to the entities referred to in paragraph (2) with which
8 such entities shall provide employment assistance (includ-
9 ing counseling and other assistance) to homeless veterans.
10 The Secretary of Labor shall prescribe procedures for the
11 award of such grants.

12 (2) An entity entitled to a grant under this subsection
13 is any nonprofit entity determined by the Secretary of
14 Labor (under regulations prescribed by that Secretary) to
15 have special expertise or experience in the provision of em-
16 ployment assistance to homeless individuals or in other
17 employment matters relating to such individuals.

18 (b) FUNDING LIMITATION.—In carrying out this sec-
19 tion, the Secretary of Labor may use not more than
20 \$5,000,000 of the funds obligated or otherwise made avail-
21 able to the Department of Veterans Affairs and the De-
22 partment of Labor in each of fiscal years 1993 through
23 1997 pursuant to the authorization of appropriations re-
24 ferred to in section 20.

1 SEC. 17. PROGRAM ASSESSMENT.

2 (a) IN GENERAL.—The Secretary of Labor, in con-
3 sultation with the Secretary, shall evaluate on an annual
4 basis the status of the programs authorized and carried
5 out under this Act to ensure that such programs satisfy
6 the purposes of this Act.

7 (b) QUARTERLY ASSESSMENT.—The Secretary of
8 Labor shall collect on a quarterly basis from appropriate
9 officials of State employment services or offices and the
10 Directors of Veterans' Employment and Training of each
11 State in which job training programs are carried out
12 under this Act the following information:

13 (1) The number of veterans in the State who
14 were certified for participation in such programs
15 under section 5(d) during the previous calendar
16 quarter.

17 (2) The number of such veterans who partici-
18 pated in such programs during that period.

19 (3) The number of such veterans who com-
20 pleted participation in such programs during that
21 period.

22 (4) The number of veterans who terminated (ei-
23 ther voluntarily or involuntarily) participation in
24 such programs, and the reasons for each such termi-
25 nation.

1 (5) Such other information as the Secretary of
2 Labor, in consultation with the Secretary, deter-
3 mines to be appropriate for the purposes of ensuring
4 the effective administration of the programs.

5 **SEC. 18. REPORTS.**

6 (a) **PRELIMINARY REPORT.**—(1) Not later than 90
7 days after the date of the enactment of this Act, the Sec-
8 retary of Labor shall submit to the committees referred
9 to in paragraph (2) a report on—

10 (A) the actions taken by the Secretary and the
11 Secretary of Labor to implement this Act; and

12 (B) the estimated administrative costs of carry-
13 ing out this Act.

14 (2) The Secretary of Labor shall submit the report
15 under paragraph (1) to the following:

16 (A) The Committee on Veterans' Affairs of the
17 Senate.

18 (B) The Committee on Labor and Human Re-
19 sources of the Senate.

20 (C) The Committee on Veterans' Affairs of the
21 House of Representatives.

22 (D) The Committee on Education and Labor of
23 the House of Representatives.

24 (b) **ANNUAL REPORTS.**—Not later than March 31,
25 1994, and on an annual basis thereafter, the Secretary

1 of Labor shall submit to the committees referred to in sub-
2 section (a)(2) a report containing the following:

3 (1) The general assessment of the Secretary of
4 Labor under section 17(a) of the programs carried
5 out under this Act during the calendar year preced-
6 ing the report.

7 (2) The quarterly assessments carried out by
8 the Secretary of Labor under section 17(b) for each
9 of the four calendar quarters preceding the date of
10 the report.

11 (3) A statement by the Secretary relating to—

12 (A) amounts paid by the Secretary to em-
13 ployers and veterans under this Act during such
14 calendar quarters;

15 (B) any obligation of funds in connection
16 with the implementation of this Act that is pro-
17 jected by the Secretary for the calendar year
18 following the report;

19 (C) a general assessment by the Secretary
20 of the adequacy and timeliness of payments
21 made by the Secretary under this Act; and

22 (D) such other information as the Sec-
23 retary considers appropriate relating to the
24 process of making payments to employers and
25 veterans under this Act.

1 (4) Any additional assessments, matters, or rec-
2 ommendations that the Secretary of Labor or the
3 Secretary consider appropriate.

4 **SEC. 19. TERMINATION OF PROGRAM.**

5 An employer may not be paid training assistance on
6 behalf of a veteran under section 8 and a veteran may
7 not be paid training benefits under section 9 with respect
8 to any training provided to the veteran in a job training
9 program under this Act if the training is provided after
10 September 30, 1997.

11 **SEC. 20. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) **AUTHORIZATION OF APPROPRIATIONS.—**(1)
13 There is authorized to be appropriated to the Department
14 of Veterans Affairs and the Department of Labor for the
15 purpose of carrying out the provisions of this Act the fol-
16 lowing:

- 17 (A) \$75,000,000 in fiscal year 1993. .
18 (B) \$100,000,000 in fiscal year 1994.
19 (C) \$125,000,000 in fiscal year 1995.
20 (D) \$125,000,000 in fiscal year 1996.
21 (E) \$100,000,000 in fiscal year 1997.

22 (2) Amounts appropriated pursuant to this section
23 shall remain available until September 30, 1997, without
24 fiscal year limitation.

1 (b) LIMITATION ON OBLIGATION FOR ADMINISTRA-
2 TIVE COSTS.—Not more than 5 percent of the amount ap-
3 propriated or otherwise made available to the Department
4 of Veterans Affairs and the Department of Labor in a fis-
5 cal year pursuant to the authorization of appropriations
6 for that fiscal year under subsection (a) may be obligated
7 for administrative activities of the Secretary or the Sec-
8 retary of Labor under this Act.

O

102D CONGRESS
2D SESSION

S. 2647

To amend title 38, United States Code, and title 10, United States Code, to revise and improve educational assistance programs for veterans and members of the Armed Forces, to improve certain vocational assistance programs for veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 30 (legislative day, MARCH 26), 1992

Mr. CRANSTON (for himself, Mr. DECONCINI, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, and title 10, United States Code, to revise and improve educational assistance programs for veterans and members of the Armed Forces, to improve certain vocational assistance programs for veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE

4 This Act may be cited as the "Veterans' Readjust-
5 ment Benefits Improvement Act of 1992".

**TITLE I—EDUCATIONAL
ASSISTANCE PROGRAMS**

**SEC. 101. INCREASE IN AMOUNT OF BASIC EDUCATIONAL
ASSISTANCE.**

(a) ALL VOLUNTEER FORCE.—(1) Subsection (a) of section 3015 of title 38, United States Code, is amended—

(A) in the matter above paragraph (1), by striking out “(e), and (f)” and inserting in lieu thereof “(e)”; and

(B) in paragraph (1), by striking out “\$300” and inserting in lieu thereof “\$450”.

(2) Subsection (b) of such section is amended—

(A) in the matter above paragraph (1), by striking out “(e), and (f)” and inserting in lieu thereof “(e)”; and

(B) in paragraph (1), by striking out “\$250” and inserting in lieu thereof “\$375”.

(3) Subsection (c) of such section is amended by striking out “\$400” and “\$700” and inserting in lieu thereof “\$550” and “\$850”, respectively.

(4) Subsection (f) of such section is repealed.

(b) SELECTED RESERVE.—Subsection (b) of section 2131 of title 10, United States Code, is amended—

1 (1) by striking out "(b)(1) Except as provided
2 in paragraph (2) and" and inserting in lieu thereof
3 "(b) Except as provided in";

4 (2) by striking out paragraph (2);

5 (3) by redesignating subparagraphs (A), (B),
6 (C), and (D) as paragraphs (1), (2), (3), and (4),
7 respectively;

8 (4) in paragraph (1), as redesignated by para-
9 graph (3) of this subsection, by striking out "\$140"
10 and inserting in lieu thereof "\$200";

11 (5) in paragraph (2), as redesignated by para-
12 graph (3) of this subsection, by striking out "\$105"
13 and inserting in lieu thereof "\$150"; and

14 (6) in paragraph (3), as redesignated by para-
15 graph (3) of this subsection, by striking out "\$70"
16 and inserting in lieu thereof "\$100".

17 (c) CONFORMING AMENDMENTS.—(1) Subsection
18 (f)(2) of such section is amended by striking out
19 "(b)(1)(A)" and inserting in lieu thereof "(b)(1)".

20 (2) Subsection (g)(3) of such section is amended by
21 striking out "(b)(1)(A)" and inserting in lieu thereof
22 "(b)(1)".

23 (d) EFFECTIVE DATES.—The amendments made by
24 subsections (a), (b), and (c) shall take effect on September
25 31, 1992, and shall apply to amounts of educational as-

1 sistance paid for education or training pursued on or after
2 that date.

3 **SEC. 102. AUTHORITY OF MEMBERS OF SELECTED RE-**
4 **SERVE TO PURSUE GRADUATE COURSES OF**
5 **EDUCATION.**

6 Section 2131(e)(1) of title 10, United States Code,
7 is amended by striking out "other than a program" and
8 all that follows through the end of the sentence and insert-
9 ing in lieu thereof a period.

10 **SEC. 103. AUTHORITY OF MEMBERS OF SELECTED RE-**
11 **SERVE TO RECEIVE TUTORIAL ASSISTANCE.**

12 Section 2131 of title 10, United States Code, is
13 amended by adding at the end the following new sub-
14 section:

15 "(h)(1)(A) Subject to subparagraph (B), the Sec-
16 retary of Veterans Affairs shall approve individualized tu-
17 torial assistance for any person entitled to educational as-
18 sistance under this chapter who—

19 "(i) is enrolled in and pursuing a postsecondary
20 course of education on a half-time or more basis at
21 an educational institution; and

22 "(ii) has a deficiency in a subject required as
23 a part of, or which is prerequisite to, or which is in-
24 dispensable to the satisfactory pursuit of, the pro-
25 gram of education.

1 “(B) The Secretary of Veterans Affairs shall not ap-
2 prove tutorial assistance for a person pursuing a program
3 of education under this paragraph unless such assistance
4 is necessary for the person to successfully complete the
5 program of education.

6 “(2) The Secretary concerned, through the Secretary
7 of Veterans Affairs, shall pay to a person receiving tutorial
8 assistance pursuant to paragraph (1) a tutorial assistance
9 allowance. The amount of the allowance payable under
10 this paragraph may not exceed \$100 per month, for a
11 maximum of twelve months, or until a maximum of \$1,200
12 is utilized. The amount of the allowance paid under this
13 paragraph shall be in addition to the amount of edu-
14 cational assistance allowance payable to a person under
15 this chapter.

16 “(3)(A) A person's period of entitlement to edu-
17 cational assistance under this chapter shall be charged
18 only with respect to the amount of tutorial assistance paid
19 to the person under this subsection in excess of \$600.

20 “(B) A person's period of entitlement to educational
21 assistance under this chapter shall be charged at the rate
22 of one month for each amount of assistance paid to the
23 individual under this section in excess of \$600 that is
24 equal to the amount of the monthly educational assistance
25 allowance which the person is otherwise eligible to receive

1 for full-time pursuit of an institutional course under this
2 chapter.”.

3 **SEC. 104. TREATMENT OF CERTAIN ACTIVE DUTY SERVICE**
4 **TOWARD ELIGIBILITY FOR EDUCATIONAL AS-**
5 **SISTANCE.**

6 (a) **TREATMENT OF SERVICE.**—Subsection (d) of sec-
7 tion 3011 of title 38, United States Code, is amended—

8 (1) in paragraph (1), by striking out “(2) and
9 (3)” and inserting in lieu thereof “(2), (3), and
10 (4)”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(4) The period of service referred to in paragraph
14 (1) of this subsection, in the case of a member referred
15 to in subclause (I) or (III) of subsection (a)(1)(A)(ii) of
16 this section who reenlists or re-enters on active duty, also
17 includes any period, not exceeding 12 months of continu-
18 ous active duty, from which the member was discharged
19 as described in such subclause (I) or (III).”.

20 (b) **ADJUSTMENT IN REDUCTION OF BASIC PAY.**—
21 Subsection (b) of such section is amended—

22 (1) by striking out “(b) The” and inserting in
23 lieu thereof “(b)(1) The”; and

24 (2) by adding at the end the following new
25 paragraph:

1 “(2)(A) The number of months of basic pay of a
 2 member referred to in subparagraph (B) of this paragraph
 3 that shall be reduced under paragraph (1) of this sub-
 4 section shall be 12 minus the number of months that the
 5 member's basic pay was reduced during the member's pre-
 6 ceding period or periods of active duty.

7 “(B) Subparagraph (A) of this paragraph applies to
 8 a member of the Armed Forces—

9 “(i) whose basic pay was reduced under para-
 10 graph (1) of this subsection for any period of active
 11 duty service referred to in paragraph (4) of sub-
 12 section (d) that the member served prior to the
 13 member's reenlistment or reentry on active duty;
 14 and

15 “(ii) who does not make an election under sub-
 16 section (c)(1) of this section upon such reenlistment
 17 or reentry.”.

18 **SEC. 105. EDUCATIONAL ASSISTANCE FOR ACTIVE DUTY**
 19 **MEMBERS PURSUING PROGRAM OF EDU-**
 20 **CATION ON MORE THAN HALF-TIME BASIS.**

21 Subsection (a) of section 3032 of title 38, United
 22 States Code, is amended to read as follows:

23 “(a) The amount of the monthly educational assist-
 24 ance allowance payable to an individual entitled to edu-
 25 cational assistance under this chapter who pursues a pro-

1 gram of education on less than half-time basis is the
2 amount determined under subsection (b) of this section."

3 **SEC. 106. EDUCATIONAL ASSISTANCE FOR CERTAIN PER-**
4 **SONS WHOSE INITIAL PERIOD OF OBLIGATED**
5 **SERVICE WAS LESS THAN THREE YEARS.**

6 Section 3015 of title 38, United States Code (as
7 amended by section 101), is amended—

8 (1) in subsection (a), by inserting ", and (f)"
9 after "(e)";

10 (2) in subsection (b), by inserting ", and (f)"
11 after "(e)";

12 (3) by redesignating subsections (c), (d), and
13 (e) as subsections (d), (e), and (f), respectively;

14 (4) in subsection (d) (as redesignated by para-
15 graph (3)), by striking out "(a) and (b)" and insert-
16 ing in lieu thereof "(a), (b), and (c)"; and

17 (5) by inserting after subsection (b) the fol-
18 lowing new subsection (c):

19 "(c)(1) The amount of basic educational allowance
20 payable under this chapter to an individual referred to in
21 paragraph (2) of this subsection is the amount determined
22 under subsection (a) of this section.

23 "(2) Paragraph (1) of this subsection applies to an
24 individual entitled to an educational assistance allowance
25 under section 3011 of this title—

1 “(A) whose initial obligated period of active
2 duty is less than three years;

3 “(B) who, beginning on the date of the com-
4 mencement of the person's initial obligated period of
5 such duty, serves a continuous period of active duty
6 of not less than three years; and

7 “(C) who, after the completion of such period
8 of active duty, meets one of the conditions set forth
9 in subsection (a)(3) of such section 3011.”.

10 **SEC. 107. REPEAL OF ADVANCE PAYMENT OF WORK-STUDY**

11 **ALLOWANCE.**

12 Section 3485(a) of title 38, United States Code, is
13 amended by striking out the third sentence.

14 **SEC. 108. REVISION OF REQUIREMENTS RELATING TO AP-**

15 **PROVAL OF ACCREDITED COURSES.**

16 (a) **REVISION OF REQUIREMENTS.**—Subsection (a) of
17 section 3675 of title 38, United States Code, is amended—

18 (1) by striking out “(a)” and inserting in lieu
19 thereof “(a)(1)”;

20 (2) by redesignating paragraphs (1), (2), and
21 (3) as subparagraphs (A), (B), and (C), respectively;
22 and

23 (3) by striking out the matter below subpara-
24 graph (C) (as so redesignated) and inserting in lieu
25 thereof the following new paragraphs:

1 “(2)(A) For the purposes of this chapter, the Sec-
2 retary of Education shall publish a list of nationally rec-
3 ognized accrediting agencies and associations which that
4 Secretary determines to be reliable authority as to the
5 quality of training offered by an educational institution.

6 “(B) A State approving agency may, upon concu-
7 rence, utilize the accreditation of any accrediting associa-
8 tion or agency listed pursuant to subparagraph (A) of this
9 paragraph for approval of courses specifically accredited
10 and approved by such accrediting association or agency.

11 “(3)(A) An educational institution shall submit an
12 application for approval of courses to the appropriate
13 State approving agency. In making application for ap-
14 proval, the institution (other than an elementary school
15 or secondary school) shall transmit to the State approving
16 agency copies of its catalog or bulletin which must be cer-
17 tified as true and correct in content and policy by an au-
18 thorized representative of the institution.

19 “(B) Each catalog or bulletin transmitted by an insti-
20 tution under subparagraph (A) of this paragraph shall—

21 “(i) state with specificity the requirements of
22 the institution with respect to graduation;

23 “(ii) include the information required under
24 paragraphs (6) and (7) of section 3676(b) of this
25 title; and

1 “(iii) include any attendance standards of the
2 institution, if the institution has and enforces such
3 standards.”.

4 (b) TECHNICAL AMENDMENT.—Subsection (a)(1)(B)
5 of such section (as redesignated by subsection (a)(2)) is
6 amended by striking out “sections 11–28 of title 20;” and
7 inserting in lieu thereof “the Act of February 23, 1917
8 (20 U.S.C. 11 et seq.);”.

9 **SEC. 109. BAR OF ASSISTANCE FOR PERSONS WHOSE EDU-**
10 **CATION IS PAID FOR AS FEDERAL EMPLOYEE**
11 **TRAINING.**

12 Section 3681(a) of title 38, United States Code, is
13 amended by striking out “and whose full salary” and all
14 that follows through the period and inserting in lieu there-
15 of a period.

16 **SEC. 110. TREATMENT OF ADVANCE PAYMENTS OF CER-**
17 **TAIN ASSISTANCE TO VETERANS WHO DIE.**

18 (a) TREATMENT.—Section 3680(e) of title 38, United
19 States Code, is amended—

20 (1) by striking out “(e) If” and inserting in lieu
21 thereof “(e)(1) Subject to paragraph (2), if”; and

22 (2) by adding at the end the following new
23 paragraph:

24 “(2) Paragraph (1) shall not apply to the recovery
25 of an overpayment of an educational allowance or subsist-

1 ence allowance advance payment to an eligible veteran or
 2 eligible person who fails to pursue a course of education
 3 for which the payment is made if such failure is due to
 4 the death of the veteran or person."

5 (b) TECHNICAL AMENDMENT.—Section 3680(e) of
 6 such title (as amended by subsection (a)) is further
 7 amended by striking out "eligible person," and inserting
 8 in lieu thereof "eligible person".

9 **SEC. 111. CLARIFICATION OF PERMITTED CHANGES IN**
 10 **PROGRAMS OF EDUCATION.**

11 Subsection (d) of section 3691 of title 38, United
 12 States Code, is amended to read as follows:

13 "(d) For the purposes of this section, the term
 14 'change of program of education' shall not be deemed to
 15 include a change by a veteran or eligible person from the
 16 pursuit of one program to the pursuit of another if—

17 "(1) the veteran or eligible person has success-
 18 fully completed the first program;

19 "(2) the second program leads to a vocational,
 20 educational, or professional objective in the same
 21 general field as the first program; or

22 "(3) the first program is a prerequisite to, or
 23 generally required for, pursuit of the second
 24 program."

1 SEC. 112. DISAPPROVAL OF NONACCREDITED INDEPEND-
2 ENT STUDY.

3 (a) PROHIBITION OF APPROVAL OF NONACCREDITED
4 COURSES.—Section 3676 of title 38, United States Code,
5 is amended by adding at the end the following new
6 subsection:

7 “(e) Notwithstanding any other provision of this title,
8 a course of education which has not been approved by a
9 State approving agency pursuant to section 3675 of this
10 title may not be approved under this section if it is to
11 be pursued, in whole or in part, by independent study.”.

12 (b) REQUIREMENT OF DISAPPROVAL OF ENROLL-
13 MENT IN CERTAIN COURSES.—

14 (1) IN GENERAL.—Section 3473 of title 38,
15 United States Code, is—

16 (A) transferred to chapter 36 and inserted
17 after section 3679; and

18 (B) redesignated as section 3679A.

19 (2) APPLICATION.—Such section 3679A is
20 amended—

21 (A) in subsection (a)(4), by striking out
22 “one” and inserting in lieu thereof “an accredited
23 independent study program”;

24 (B) in subsection (d)(1), by striking out
25 “32, 35, or 36” in the third sentence and in-
26 serting in lieu thereof “32, or 35”; and

1 (C) by striking out paragraph (2) of sub-
2 section (d) and inserting in lieu thereof the fol-
3 lowing new paragraph (2):

4 "(2) Paragraph (1) of this subsection does not apply
5 with respect to the enrollment of a veteran—

6 "(A) in a course offered pursuant to section
7 3019, 3034(a)(3), 3234, 3241(a)(2), or 3533 of this
8 title;

9 "(B) in a farm cooperative training course; or

10 "(C) in a course described in section 3689(b)(6)
11 of this title."

12 (3) SURVIVORS' AND DEPENDENTS' ASSIST-
13 ANCE.—Section 3523(a)(4) of such title is amended
14 by striking out "one" and inserting in lieu thereof
15 "an accredited independent study program".

16 (e) CONFORMING AMENDMENTS.—

17 (1) TITLE 38.—(A) Section 3034 of title 38,
18 United States Code, is amended—

19 (i) in subsection (a)(1), by striking out
20 "3473,"; and

21 (ii) in subsection (d)(1), by striking out
22 "3473(b)" and inserting in lieu thereof
23 "3679A(b)".

24 (B) Section 3241 of such title is amended—

1 (i) in subsection (a)(1), by striking out
2 "3473,";

3 (ii) in subsection (b)(1), by striking out
4 "3473(b)" and inserting in lieu thereof
5 "3679A(b)"; and

6 (iii) in subsection (c), by striking out
7 "3473,".

8 (2) TITLE 10.—Section 2136 of title 10, United
9 States Code, is amended—

10 (A) in subsection (b), by striking out
11 "1673," ; and

12 (B) in subsection (c)(1), by striking out
13 "1673(b)" and inserting in lieu thereof
14 "3679A(b)".

15 (d) CLERICAL AMENDMENTS.—(1) The table of sec-
16 tions at the beginning of chapter 34 of title 38, United
17 States Code, is amended by striking out the item relating
18 to section 3473.

19 (2) The table of sections at the beginning of chapter
20 36 of such title is amended by inserting after the item
21 relating to section 3679 the following new item:

"3679A. Disapproval of enrollment in certain courses."

22 (e) SAVINGS PROVISION.—The amendments made by
23 subsections (a) and (b) shall not apply to any person who
24 is receiving educational assistance under chapter 30, 32,
25 or 35 of title 38, United States Code, or chapter 106 of

1 title 10, United States Code, on the date of the enactment
2 of this Act for pursuit of an independent study program—

3 (1) in which the person is enrolled on that date;

4 (2) in which the person remains continuously
5 enrolled thereafter (until completion of the program
6 by the person); and

7 (3) for which the person continues to meet the
8 eligibility requirements for such assistance that
9 apply to the person on that date.

10 **SEC. 113. REVISIONS IN MEASUREMENT OF COURSES.**

11 (a) **ELIMINATION OF STANDARD CLASS SESSION RE-**
12 **QUIREMENT.—**

13 (1) **TRADE OR TECHNICAL COURSES.—**Sub-
14 section (a)(1) of section 3688 of title 38, United
15 States Code, is amended by striking out “thirty
16 hours” and all that follows through “full time” and
17 inserting in lieu thereof “22 hours per week of at-
18 tendance (excluding supervised study) is required,
19 with no more than 2½ hours per week of rest peri-
20 ods allowed”.

21 (2) **COURSES LEADING TO STANDARD COLLEGE**
22 **DEGREES.—**Subsection (a)(2) of such section is
23 amended by striking out “twenty-five hours” and all
24 that follows through “full time” and inserting in lieu
25 thereof “18 hours per week net of instruction (which

1 shall exclude supervised study but may include cus-
 2 tomary intervals not to exceed 10 minutes between
 3 hours of instruction) is required".

4 (b) TREATMENT OF CERTAIN COURSES OFFERED BY
 5 INSTITUTIONS OF HIGHER LEARNING.—

6 (1) GRADUATE COURSES.—Subsection (a)(4) of
 7 such section is amended—

8 (A) by striking out "in residence"; and

9 (B) by inserting "(other than a course pur-
 10 sued as part of a program of education beyond
 11 the baccalaureate level)" after "semester-hour
 12 basis".

13 (2) COURSES NOT LEADING TO COLLEGE DE-
 14 GREES.—Subsection (a)(7) of such section is amend-
 15 ed to read as follows:

16 "(7) an institutional course not leading to a
 17 standard college degree offered by an institution of
 18 higher learning on a standard quarter- or semester-
 19 hour basis shall be measured as full time on the
 20 same basis as provided for in clause (4) of this sub-
 21 section, except that such a course may not be meas-
 22 ured as full time if the course requires less than the
 23 minimum weekly hours of attendance required for
 24 full-time measurement under clause (1) or (2) of
 25 this subsection, as the case may be."

1 (c) MEASUREMENT OF REFRESHER COURSES.—Sub-
 2 section (a)(6) of such section is amended by striking out
 3 “an institutional course” and all that follows through “of
 4 this title” and inserting in lieu thereof “an institutional
 5 course offered by an educational institution under section
 6 3034(a)(3), 3241(a)(2), or 3533(a) of this title as part
 7 of a program of education not leading to a standard col-
 8 lege degree”.

9 (d) MEASUREMENT OF PART-TIME TRAINING.—Sub-
 10 section (b) of such section is amended by striking out “34
 11 or 35” and inserting in lieu thereof “30, 32, or 35”.

12 (e) CONFORMING AMENDMENTS.—(1) Section 3688
 13 of title 38, United States Code (as amended by subsections
 14 (a) through (d)), is further amended—

15 (A) in subsection (a), by striking out the flush
 16 material that follows paragraph (7); and

17 (B) by striking out subsections (c), (d), and (e).

18 (2) Section 3532(e) of such title is amended by strik-
 19 ing out paragraphs (3) and (4).

20 **SEC. 114. REFRESHER TRAINING FOR SURVIVORS AND DE-**
 21 **PENDENTS.**

22 Section 3532 of title 38, United States Code, is
 23 amended by adding at the end the following new sub-
 24 section (f):

1 “(f)(1) Notwithstanding the prohibition in section
 2 3521(2) of this title (relating to the enrollment of an eligi-
 3 ble person in a program of education in which such person
 4 is ‘already qualified’), an ‘eligible person shall be allowed
 5 up to six months of educational assistance (or the equiva-
 6 lent thereof in part-time assistance) for the pursuit of re-
 7 fresher training to permit the person to update the per-
 8 son’s knowledge and skills.

9 “(2) An eligible person pursuing refresher training
 10 under this subsection shall be paid an educational assist-
 11 ance allowance based upon the rate prescribed in sub-
 12 section (a) or (c) of this section, whichever is applicable.

13 “(3) The educational assistance allowance paid to an
 14 eligible person under the authority of this subsection shall
 15 be charged against the period of entitlement of the person
 16 under section 3511 of this title.”.

17 **SEC. 115. ELIGIBILITY OF CERTAIN OFFICERS FOR EDU-**
 18 **CATIONAL ASSISTANCE.**

19 (a) **ACTIVE DUTY.**—Section 3011(c)(2) of title 38,
 20 United States Code, is amended by inserting “but before
 21 October 1, 1992,” after December 31, 1976.”.

22 (b) **SELECTED RESERVE.**—Section 3012(d)(2) of
 23 such title is amended by inserting “but before October 1,
 24 1992,” after December 31, 1976.”.

1 **SEC. 116. TECHNICAL AMENDMENTS.**

2 (a) TITLE 10.—Chapter 106 of title 10, United
3 States Code, is amended—

4 (1) in section 2131(e)(2), by striking out “sec-
5 tion 1795” and inserting in lieu thereof “section
6 3695”;

7 (2) in section 2131(e)(3)(A)(ii), by striking out
8 “section 1795” and inserting in lieu thereof “section
9 3695”;

10 (3) in section 2131(e)(3)(C), by striking out
11 “section 1795” and inserting in lieu thereof “section
12 3695”;

13 (4) in section 2133(b)(2), by striking out “sec-
14 tion 1431(f)” and inserting in lieu thereof “section
15 3031(f)”;

16 (5) in section 2133(b)(3), by striking out “sec-
17 tion 1431(d)” and inserting in lieu thereof “section
18 3031(d)”;

19 (6) in section 2136(b) (as amended by section
20 112(c)(2))—

21 (A) by striking out “sections 1670,” and
22 all that follows through “and 1685” and insert-
23 ing in lieu thereof “sections 3470, 3471, 3474,
24 3476, 3682(g), 3683, and 3685”;

25 (B) by striking out “1780(c),”;

1 (C) by striking out "1786(a), 1787, and
2 1792)" and inserting in lieu thereof "3686(a),
3 3687, and 3692)".

4 (b) TITLE 38.—Section 3679A of title 38, United
5 States Code (as redesignated and amended by section
6 112(a)) is further amended in subsection (b) by striking
7 out "The Secretary" and inserting in lieu thereof "Except
8 as provided in this title or chapter 106 of title 10, the
9 Secretary".

10 **TITLE II—VOCATIONAL REHA-**
11 **BILITATION AND PENSION**
12 **PROGRAMS**

13 **SEC. 201. PERMANENT PROGRAMS OF VOCATIONAL REHA-**
14 **BILITATION FOR CERTAIN VETERANS.**

15 (a) PERMANENT PROGRAM.—(1) Subsection (a)(1) of
16 section 1163 of title 38, United States Code, is amended
17 by striking out "during the program period" and inserting
18 in lieu thereof "after January 31, 1985,".

19 (2) Subsection (a)(2) of such section is amended to
20 read as follows:

21 "(2) For the purposes of this section, the term 'quali-
22 fied veteran' means a veteran who has a service-connected
23 disability, or service-connected disabilities, not rated as
24 total but who has been awarded a rating of total disability
25 by reason of inability to secure or follow a substantially

1 gainful occupation as a result of such disability of disabil-
2 ities.”.

3 (b) COUNSELING SERVICES.—Subsection (b) of such
4 section is amended by striking out “During the program
5 period, the Secretary” and inserting in lieu thereof “The
6 Secretary”.

7 (c) NOTICE.—Subsection (c)(1) of such section is
8 amended by striking out “during the program period” and
9 all that follows through “(a)(2)(A)” and inserting in lieu
10 thereof “after January 31, 1985, of a rating of total dis-
11 ability described in subsection (a)(2)”.

12 (d) CONFORMING AMENDMENTS.—(1) The heading
13 of such section is amended to read as follows:

14 **“§ 1163. Trial work periods and vocational rehabilita-**
15 **tion for certain veterans with total dis-**
16 **ability ratings”.**

17 (2) The table of sections at the beginning of chapter
18 11 of title 38, United States Code, is amended by striking
19 out the item relating to section 1163 and inserting in lieu
20 thereof the following:

“1163. Trial work periods and vocational rehabilitation for certain veterans with
total disability ratings.”.

1 SEC. 202. PERMANENT PROGRAM OF VOCATIONAL TRAIN-
2 ING FOR CERTAIN PENSION RECIPIENTS.

3 (a) PERMANENT PROGRAM.—Subsection (a) of sec-
4 tion 1524 of title 38, United States Code, is amended to
5 read as follows:

6 “(a)(1) A veteran who has been awarded pension
7 under this chapter may submit to the Secretary an appli-
8 cation for vocational training under this section.

9 “(2) Subject to paragraph (4) of this subsection,
10 upon the submittal of an application by a veteran under
11 paragraph (1) of this subsection, the Secretary shall—

12 “(A) make a preliminary finding (on the basis
13 of information contained in the application or other-
14 wise in the possession of the Secretary) whether the
15 veteran has good potential for achieving employment
16 after pursuing a vocational training program under
17 this section; and

18 “(B) if the Secretary makes a preliminary find-
19 ing that the veteran has such potential, provide the
20 veteran with an evaluation to determine whether the
21 veteran’s achievement of a vocational goal is reason-
22 ably feasible.

23 “(3) An evaluation of a veteran under subparagraph
24 (B) of paragraph (2) shall include a personal interview
25 of the veteran carried out by a Department employee who
26 is trained in vocational counseling (as determined by the

1 Secretary) unless the Secretary determines that such an
 2 evaluation is not feasible or is not necessary to make the
 3 determination referred to in that subparagraph.”.

4 (b) CONFORMING AMENDMENTS.—(1) Subsection
 5 (b)(4) of such section is amended by striking out “the
 6 later of (A)” and all that follows through the period at
 7 the end of the first sentence and by inserting in lieu there-
 8 of “the end of a reasonable period of time (as determined
 9 by the Secretary) following the evaluation of the veteran
 10 under subsection (a)(2)(B) of this section”.

11 (2)(A) The heading of such section is amended to
 12 read as follows:

13 **“§ 1524. Vocational training for certain pension re-**
 14 **cipients”.**

15 (B) The table of sections at the beginning of chapter
 16 15 of title 38, United States Code, is amended by striking
 17 out the item relating to section 1524 and inserting in lieu
 18 thereof the following:

“1524. Vocational training for certain pension recipients.”.

19 **SEC. 203. PROTECTION OF HEALTH-CARE ELIGIBILITY.**

20 (a) PERMANENT PROTECTION.—Section 1525 of title
 21 38, United States Code, is amended—

22 (1) in subsection (a), by striking out “during
 23 the program period” and inserting in lieu thereof
 24 “after January 31, 1985,”; and

1 (2) by striking out subsection (b) and inserting
2 in lieu thereof the following:

3 “(b) For the purposes of this section, the term ‘termi-
4 nated by reason of income from work or training’ means
5 terminated as a result of the veteran’s receipt of earnings
6 from activity performed for remuneration or with gain, but
7 only if the veteran’s annual income from sources other
8 than such earnings would, taken alone, not result in the
9 termination of the veteran’s pension.”.

10 (b) CONFORMING AMENDMENTS.—(1) The heading
11 of such section is amended to read as follows:

12 “§ 1525. Protection of health-care eligibility”.

13 (2) The table of sections at the beginning of chapter
14 15 of title 38, United States Code, is amended by striking
15 out the item relating to section 1525 and inserting in lieu
16 thereof the following:

“1525. Protection of health-care eligibility.”.

17 SEC. 204. INCREASE IN SUBSISTENCE ALLOWANCE FOR
18 VETERANS RECEIVING VOCATIONAL OR RE-
19 HABILITATIVE TRAINING.

20 Section 3108(b) of title 38, United States Code, is
21 amended by striking out the table at the end and inserting
22 in lieu thereof the following new table:

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
Institutional training:				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	\$366	\$454	\$535	\$39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20
Farm cooperative, apprentice, or other on-job training:				
Full-time	320	387	446	29
Extended evaluation:				
Full-time	366	454	535	39
Independent living training:				
Full-time	366	454	535	39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20

1 **SEC. 205. VOCATIONAL REHABILITATION FOR CERTAIN DIS-**
2 **ABLED VETERANS WITH SERIOUS EMPLOY-**
3 **MENT HANDICAPS.**

4 Section 3102 of title 38, United States Code, is
5 amended to read as follows:

6 "A person shall be entitled to a rehabilitation pro-
7 gram under the terms and conditions of this chapter if—

8 "(1) the person is—

9 "(A)(i) a veteran who has a service-con-
10 nected disability which is, or but for the receipt
11 of retired pay would be, compensable at a rate
12 of 20 percent or more under chapter 11 of this
13 title and which was incurred or aggravated in
14 service on or after September 16, 1940; or

15 "(ii) hospitalized or receiving outpatient
16 medical care, services, or treatment for a serv-
17 ice-connected disability pending discharge from

1 the active military, naval, or air service, and the
2 Secretary determines that—

3 “(I) the hospital (or other medical fa-
4 cility) providing the hospitalization, care,
5 services, or treatment is doing so under
6 contract or agreement with the Secretary
7 concerned, or is under the jurisdiction of
8 the Secretary of Veterans Affairs or the
9 Secretary concerned; and

10 “(II) the person is suffering from a
11 disability which will likely be compensable
12 at a rate of 20 percent or more under
13 chapter 11 of this title; and

14 “(B) determined by the Secretary to be in need
15 of rehabilitation because of an employment handi-
16 cap; or

17 “(2) the person is a veteran who—

18 “(A) has a service-connected disability
19 which is, or but for the receipt of retired pay
20 would be, compensable at a rate of 10 percent
21 under chapter 11 of this title and which was in-
22 curred or aggravated in service on or after Sep-
23 tember 16, 1940; and

24 “(B) has a serious employment handicap.”

1 SEC. 206. TREATMENT OF CERTAIN APPLICATIONS FOR
2 PENSION AND DISABILITY AND INDEMNITY
3 COMPENSATION.

4 Section 5306(b) of title 38, United States Code, is
5 amended to read as follows:

6 “(b)(1) Renouncement of rights shall not preclude
7 any person from filing a new application for pension, com-
8 pensation, or dependency and indemnity compensation at
9 a later date.

10 “(2) Except as provided in paragraph (3), a new ap-
11 plication for pension, compensation, or dependency and in-
12 demnity compensation under this subsection shall be treat-
13 ed as an original application, and no payments shall be
14 made for any period before the date such application is
15 filed.

16 “(3) An application for dependency and indemnity
17 compensation to parents payable under section 1315 of
18 this title or for pension payable under chapter 15 of this
19 title that is filed during the one-year period beginning on
20 the date that a renouncement thereto was filed by the per-
21 son pursuant to subsection (a) shall not be considered an
22 original application, and payment of such benefits shall
23 be made as if the renouncement had not occurred.”.

24 SEC. 207. STYLISTIC AMENDMENT.

25 (a) IN GENERAL.—Section 5110(h) of title 38, Unit-
26 ed States Code, is amended by striking out “calendar”.

1 (b) RULE OF CONSTRUCTION.—The purpose of sub-
 2 section (a) is to make a nonsubstantive stylistic amend-
 3 ment that conforms the terminology used in section
 4 5110(h) of title 38, United States Code, to that used in
 5 such title.

6 **TITLE III—JOB COUNSELING,**
 7 **TRAINING, AND PLACEMENT**
 8 **SERVICES FOR VETERANS**

9 **SEC. 301. IMPROVEMENT OF DISABLED VETERANS' OUT-**
 10 **REACH PROGRAM.**

11 Section 4103A(a)(1) of title 38, United States Code,
 12 is amended in the first sentence by striking out "specialist
 13 for each 5,300 veterans" and all that follows through the
 14 end of the sentence and inserting in lieu thereof "specialist
 15 for each 6,900 veterans residing in such State who either
 16 veterans of the Vietnam era, veterans who first entered
 17 on active duty as a member of the Armed Forces after
 18 May 7, 1975, or disabled veterans."

19 **SEC. 302. REPEAL OF DELIMITING DATE RELATING TO**
 20 **TREATMENT OF VETERANS OF THE VIETNAM**
 21 **ERA FOR EMPLOYMENT AND TRAINING PUR-**
 22 **POSES.**

23 Section 4211(2) of title 38, United States Code, is
 24 amended—

- 1 (1) in subparagraph (A), by striking out "(A)
- 2 Subject to subparagraph (B) of this paragraph, the
- 3 term" and inserting in lieu thereof "The term"; and
- 4 (2) by striking out subparagraph (B).

PREPARED STATEMENT OF CHAIRMAN ALAN CRANSTON

As Chairman of the Committee on Veterans' Affairs, I extend a warm welcome to all attending today's hearing on veterans' education and employment programs. I would especially like to welcome and thank the witnesses from various veterans' service organizations and from both Federal and State government departments for their valuable contributions. I regret that I am unable to attend this hearing, but I look forward to reviewing your testimony and to learning your thoughts and suggestions for improving the important legislation before us today.

I am very grateful to Senator DeConcini for graciously responding to my request that he chair this hearing. Senator DeConcini is an especially strong and vigorous advocate for our nation's veterans. Since he is the author of one of the bills before the Committee, S. 2515, and an original cosponsor of the other, S. 2647, it is especially fitting that he chair this hearing.

Veterans' education, vocational rehabilitation, and job training services are all immensely important in this time of military downsizing and a troubled economy. Both S. 2515, the "Veterans' Employment and Training Act of 1992," introduced by Senator DeConcini on April 2, and S. 2647, the "Veterans' Readjustment Benefit Improvement Act of 1992," which I introduced on April 30, were developed, at least in part, to help ease the transition of servicemembers into civilian life. We must continue to work hard in maintaining and developing effective readjustment programs for these people who have served their country so well. I sincerely hope that, with the help of the organizations represented here today, we may be able to develop legislation that will be most effective for our nation's veterans.

I congratulate Senator DeConcini on his leadership in introducing S. 2515, a bill to provide employer incentives to train and permanently employ veterans. I believe that the concept of job training is very timely and necessary, especially for those recently separated from active duty. I will follow with great interest today's testimony on the best design for effective implementation of this program, and I look forward to working with Senator DeConcini on this measure.

Last week, I introduced S. 2647, a bill, cosponsored by Senators DeConcini and Akaka, to revise and improve educational assistance programs for veterans and members of the Armed Forces, improve certain vocational assistance programs for veterans, and expand job counseling, training, and placement services for veterans. Several of the provisions were derived from legislation I introduced during the last session of Congress at the request of the Administration. Many other provisions that would improve the implementation of the Montgomery GI Bill (MGIB) were derived from the final report of the Commission on Veterans' Education Policy, mandated by section 320 of Public Law 99-576, and delivered to the Committee by the Department of Veterans' Affairs on October 24, 1991—nearly fourteen months after its due date.

I will highlight a few of the major improvements in S. 2647. I wish to note, however, that there are two cost-of-living provisions which are very much needed but for which there is as yet no identified funding offset to meet the "pay-as-you-go" requirements for the Budget Enforcement Act—an increase in the educational assistance allowance under the MGIB and an increase in the subsistence allowance for service-related disabled veterans participating in a program of vocational rehabilitation. As I noted in my floor statement when I introduced S. 2647, I believe it is important that we receive testimony on these provisions while we continue our efforts to develop the means of bringing them into budgetary compliance.

MONTGOMERY GI BILL INCREASE

Section 101 of S. 2647 would increase the MGIB educational assistance allowance from \$350 to \$450 a month for full-time study for those serving on active duty for 3 years or more (or for 2 years on active duty and 4 years in the reserves) and from \$275 to \$375 for full-time study for those who serve just 2 years on active duty. This section would provide a comparable benefit increase in the benefits under chapter 106 of title 10 for reservists—from \$170 to \$200 for full-time study.

There has been only one rate increase since the MGIB was enacted in 1984. That increase was enacted in April 16, 1991, in section 337 of the Persian Gulf War Veterans' Benefit Act of 1991, part C of title III of Public Law 102-25. Because of the funding limitations on that special legislation, the increase was restricted to \$50 per month for active-duty and \$30 per month for reservists. Authorization of this minimal increase was also limited to fiscal years 1992 and 1993, after which the Secretary of Veterans Affairs is authorized to continue the increased rates, to continue them and provide for a cost-of-living increase, or to allow the monthly payment to revert to the original levels.

Over the 8 years since the MGIB was enacted, inflation as measured by the Consumer Price Index was 31 percent, while the cost of education at a four-year college increased by 42.5 percent. Although last year's 16.7-percent MGIB increase helped, it fell far short of keeping our veterans' educational assistance benefit abreast of the rising costs of higher education. Those who have worn the uniform in recent years deserve to have a GI Bill rate increase that is assured for longer than one more year and at a level that more fully reflects the rate of inflation.

As both the active-duty and reserve forces are scaled down in this post-Cold War era, the MGIB has taken on new importance for our military as a whole and in the lives of those who make up our Armed Forces. The smaller, more mobile, and technically oriented forces of our future military will need highly skilled and motivated servicemembers. Among the original purposes of the MGIB was to attract these highly qualified people to join the military. Over the past eight years, this program has proven very successful in accomplishing this goal. However, a GI Bill that fails to cover even a major portion of post-secondary education costs will fail to attract the highly qualified individuals that the future military demands. As the quantity of our military is scaled down, we must protect the quality. The MGIB is a valuable tool for doing so.

In addition, the MGIB facilitates the readjustment of servicemembers into civilian life. With the major cuts in America's troop strength, particularly among long-term servicemembers who may have family responsibilities, it is even more important that the MGIB keep pace with growing educational costs. We must continue to pursue the goal of providing these deserving individuals with a realistic opportunity to pursue a post-secondary education following (or even during) service in the Armed Forces.

IMPROVED EDUCATIONAL BENEFITS FOR RESERVISTS

Under section 102 of S. 2647, members of the Selected Reserve could pursue graduate training and, under section 103, seek tutorial assistance through the MGIB. Currently, these benefits are extended only to MGIB participants who serve on active duty.

The recent war in the Persian Gulf revealed to many what has been an unsung strength of our Armed Forces over the last decade—the Selected Reserve. Of the maximum Desert Storm troop strength achieved in March 1991, nearly 20 percent were reservists or members of the National Guard. Their courage and ability to uproot themselves from civilian life, families, and jobs showed great professionalism and outstanding dedication.

However, while reservists and National Guard members are asked to perform along side our active-duty personnel, and are also feeling the effects of the military downsizing, they are denied certain educational benefits under the current MGIB program. Permitting members of the Selected Reserve to pursue graduate training and seek tutorial assistance would create an equitable balance of educational opportunities.

EDUCATIONAL ASSISTANCE FOR ACTIVE-DUTY MEMBERS

We are also proposing, in section 105 of our bill, to improve educational benefits to active-duty members who participate in the MGIB program by granting them benefits at the same rate as veteran participants.

Under current law, in section 3032 of title 38, United States Code, active-duty servicemembers receive MGIB allowances in the amount of either the full allowance payable to a participant under chapter 30 or the cost of tuition and fees of their educational program, whichever is less. Most frequently, the cost of tuition and fees is the lower of the two amounts, and active-duty members thus receive a restricted benefit. While all participants in the MGIB program under chapter 30 of title 38 contribute \$1,200, participants who pursue programs of education while on active duty are awarded a lesser amount of educational assistance than their veteran counterparts.

This section would both simplify the distribution of benefits and remove the disincentive for active-duty servicemembers to begin pursuit of their education prior to their discharge. This provision would not modify the requirement that participants pursuing a program of education at less than halftime be paid the lesser amount of either the normal allotment or the cost of tuition and fees.

IMPROVEMENTS FOR DISABLED VETERANS PARTICIPATING IN VOCATIONAL REHABILITATION

Several provisions of this bill seek to improve vocational rehabilitation for disabled veterans. Section 204 would increase by 10 percent the subsistence allowance paid to veterans participating in VA programs of rehabilitation. The last subsistence allowance increase of 7.5 percent, effective on January 1, 1990, did not adequately cover the 14-percent increase in the Consumer Price Index that had occurred since the previous adjustment six years earlier, but represented the best compromise we could strike with the House in 1989. A preliminary finding by a General Accounting Office study into the effectiveness of the VA Vocational Rehabilitation and Counseling program indicates that 73 percent of the applicants for VA rehabilitation under chapter 31 of title 38 drop out of the program before they receive a rehabilitation plan. The study indicates that one of the reasons for this disappointing statistic is that the subsistence allowance is too low to provide a decent living for program participants.

Section 205 would restore vocational rehabilitation for veterans with a 10-percent service-connected disability who the Secretary of Veterans Affairs determines have serious employment handicaps. The Omnibus Budget Reconciliation Act of 1990 limited eligibility for chapter 31 rehabilitation programs, effective November 1, 1990, to those veterans who had a service-connected disability rating of 20 percent or more. I believe strongly that we should reopen the veterans' rehabilitation program for veterans who are rated 10-percent disabled for a service-connected disability and who, by reason of having a serious employment handicap, are clearly in need of vocational rehabilitation services to improve their ability to return to the work force.

The proposed increase in the subsistence allowance and the proposed extension of vocational training to certain veterans with a 10-percent service-connected disability are designed to make it possible for more veterans to make use of their existing talents and develop new ones to support themselves and their families. While I feel strongly that these are programs worthy of maintaining and that they must not be rendered useless to potential participants. These improvements are an investment in enabling service-disabled veterans to participate in the job market. We should encourage and support such efforts, which give veterans a renewed sense of self-worth and purpose as well as help the government reduce expenditures over the long-term.

IMPROVEMENT OF DISABLED VETERANS' OUTREACH PROGRAM

Title III of the bill would update and strengthen the State-grants program administered by the Department of Labor for the employment training, counseling, and placement of unemployed veterans. Most importantly, it would stabilize the staffing of this program, which in recent years has existed in the shadow of a sunset provision that would reduce its employment base to an unworkable level.

Currently, section 4103A of title 38 provides for the appointment of one disabled veterans' outreach program specialist (DVOP) for each 5,300 veterans for the Vietnam era and disabled veterans residing in each State. This formula now provides for 1,885 DVOP specialists. Section 4211 of title 38, however, provides, that for the purpose of the DVOP formula, no veterans may be considered to be veterans of the Vietnam era after December 31, 1994, causing the number of DVOPs in the statutory formula to drop to 433 after that date. Last year, when I proposed to extend the sunset provision regarding the definition of veterans of the Vietnam era from 1991 to 1994, in what became Public Law 102-16, I promised to review the concept of the formula. This I have done.

First, our bill would delete the sunset provision, thus allowing Vietnam-era veterans to be a permanent part of the DVOP formula. Second, our bill would recognize that veterans who entered active duty after the Vietnam era would also need the employment assistance provided by DVOPs and that post-Vietnam-era veterans should be considered in calculating available DVOP staffing. As a beginning point, I was interested in approximating the size of the current DVOP force, with a few DVOPs added in recognition of the increased involvement of DVOPs in the Transition Assistance Program. I wanted to use a formula rather than a fixed figure to allow for program growth to meet the projected new workload expected to result from the military downsizing. I also wanted the formula to continue DVOP distribution to States in proportion to their workload. The result is a revised formula that would provide for the appointment of one DVOP specialist for each 6,900 veterans residing in a State who are either veterans of the Vietnam era, veterans who first entered on active duty as a member of the Armed Forces after May 7, 1975, or disabled veterans.

I have long valued very highly the services being provided for veterans by the State Employment Security Agencies. Our bill is designed to eliminate the uncertainty that has too long plagued the DVOP program. It should provide a stronger, more realistically sized work force.

CONCLUSION

I recognize that this is a time of fiscal austerity and that Congress must continue to battle a growing deficit and enormous national debt. However, I also feel very strongly—now that we have reached the point at which major reductions in our military establishment are possible—that we have a direct and important responsibility to assist those whose service and sacrifices have kept our nation free and strong and helped bring us to this much-awaited point in world history, the end of the Cold War. As new veterans move into civilian life, and as older veterans encounter employment problems, we must respond with adequate and responsive educational assistance, vocational rehabilitation programs, and job placement, training, and employment services. The legislation we are considering today could contribute much toward fulfilling these goals and fulfilling an important obligation to our veterans.

PREPARED STATEMENT OF SENATOR STROM THURMOND

Mr. Chairman, it is a pleasure to be here this morning to consider S. 2647, the Veterans' Readjustment Benefits Improvements Act of 1992, and S. 2515, the Veterans' Employment and Training Act of 1992. I would like to join the Chairman and the members of the Veterans' Affairs Committee in extending a warm welcome to all the members of the three panels present today. I would also like to extend a special welcome to Mr. Robert E. David, Executive Director, South Carolina Employment Security Commission. I am sure their testimony will help this committee address the concerns raised by these measures.

Mr. Chairman, I would like to take this opportunity to commend Senator Cranston and Senator DeConcini for their efforts in seeking an answer to readjusting and employing our deserving veterans. The predicted drawdown may create a serious problem in integrating our veterans into the private sector, and I will continue to support training and education programs that are well designed, cost efficient and effective.

Due to the tremendous Federal deficit and the struggle to get the budget under control, all Senate committees face the difficult task of weighing competing demands for limited Federal resources. At the same time, we must remain committed to providing the best care for the brave men and women who have served in the armed forces.

Mr. Chairman, we continue to create new programs without fully analyzing the highlights and pitfalls of past and current programs. Many of the current programs are duplicative of each other and it is creating an atmosphere of confusion rather than clarification. We need to consider consolidating all job training and vocational educational programs under one "umbrella."

S. 2515, the Veterans' Employment and Training Act, will establish job training programs for unemployed veterans and persons who have been recently separated from the Armed Services. I am concerned that while S. 2515 is well-intentioned, it is duplicative of services already being provided.

Mr. Chairman, S. 2647, the Veterans' Readjustment Benefits Improvement Act, would revise educational assistance programs for veterans and members of the Armed Forces, and improve certain vocational assistance programs for veterans. However, S. 2647 does not include ways to fund the expanded services or programs. It would, therefore, be subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 if enacted. Although the Congressional Budget Office has not finished scoring this measure, it is estimated that the costs will be significant. We must consider this as we proceed to this measure.

Mr. Chairman, it is indeed a pleasure to have these witnesses before us today. As a result of this hearing, we will be better informed about the impact of these measures on our veterans. I appreciate your taking time to be with us, and I will continue to give careful consideration to your suggestions. At this time, I must leave to attend another meeting.

PREPARED STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV

Mr. Chairman, I know I speak for both our colleagues and the veterans community in noting the significance of this hearing.

Our country's unemployment rate is 7.2%. West Virginia's rate is even higher at 12.9%.

During these difficult economic times, the Pentagon is in the midst of a necessary but massive force reduction program. Our world has changed dramatically over the past two years, and one of the ways this country is responding is by reducing the size of our military.

This committee's responsibility is to help think through the impact of that response on our economy and on veterans.

When I last looked at the estimates, I read that 1.3 million personnel will be discharged from the military between now and 1995. Employment officials in my state estimate that 10,500 West Virginians will be part of this so-called downsizing. That's the official but very real way of saying that over a million Americans, and over 10,000 West Virginians, will be released from the military because they are no longer needed. In human terms, it also means they will be without a job and the financial security they thought they would have for at least several years while in the military.

Of the 10,500 men and women who will be affected from my state, many will come back to West Virginia and start looking for a job—and we know it will be very tough.

We know that the men and women who serve in our Armed Forces are dedicated, loyal and highly trainable. During service, they gain specialized skills unique to military service. But they also learn to take directions, work as a team, and become familiar with modern technology. Our new veterans should be able to translate their military experience into productive work in the civilian sector—but they need help. Sometimes that may mean going back to school, or starting an apprenticeship program. Or it may require on-the-job training.

This hearing is an important step in exploring ways to provide greater assistance for veterans. As a member of this committee, I have had a special interest in the training and education programs for veterans. I will do my best to contribute in this next phase of our legislative work.

Today, our federal government faces enormous challenges because of the huge budget deficit. There is great pressure to reduce federal spending—and we must. But we also need to make wise investments in our veterans and our country's future. We can't turn a cold shoulder to the men and women who volunteered to serve their country through the military.

We need to build on the good programs that exist now. And we should explore every avenue to make absolutely sure these veterans make a successful transition back into the civilian sector, and get the help they need to contribute to the country's future in every way possible.

PREPARED STATEMENT OF SENATOR ALAN K. SIMPSON

Thank you Mr. Chairman. I am most pleased to be present today for this hearing regarding Veterans' Readjustment Benefits and Veterans' Employment and training.

I share the concern, empathy and interest that other Members of the Committee, the Administration and the VA have raised regarding the employment and training of our deserving veterans.

That is why I recently cosponsored a bill with the fine Republican Leader—Senator Dole—to address these same issues of education, jobs and transition assistance for veterans.

This bill was offered in concert with the House Veterans' Affairs Committee Chairman—my old friend, Sonny Montgomery and the Ranking Minority Member, Bob Stump—who introduced a companion bill, H.R. 5097 on the same day.

Our bill would increase the Montgomery GI Bill educational assistance by raising the current payment from \$300 per month to \$500 per month as well as revive the Veterans Job Training Act and increase funding to the Veterans' Homeless Assistance Act—among other provisions of the bill.

Clearly, there is a great need for transition assistance to the civilian community for veterans and potential employers, as well.

And I feel that there cannot be a more appropriate time for much needed improvements in veterans' benefits.

But, let us also not mistake these programs for something they cannot and must not become—Government subsidies.

I reviewed the testimony of the various witnesses scheduled to testify today and I was concerned about several points made in the testimony.

First, and foremost, the benefits of these programs must be to provide meaningful, long-term employment and not simply a "temporary fix."

In this sense, we should have some sort of guarantee that the potential employer plans to retain the veteran beyond the maximum two-year training program.

I also agree with the testimony of the Association of the United States Army regarding the numerous staffing and reporting requirements dictated by this legislation.

We must absolutely assure that these administrative requirements do not "eat up" the funding that should be going toward the actual training of our veterans.

Regarding the enhancement of the Montgomery GI Bill, I believe that the provision which allows graduate school training for reservists is unnecessary.

There are other programs that the Department of Defense offers to military personnel, and I do not feel this need be addressed through the Montgomery GI Bill.

Indeed, the bill which Senators Dole, myself and our House colleagues recently introduced, does not contain this provision.

I also noted the concern raised by the VA that "... consideration given a possible reiteration of a Veterans Job Training Act (VJTA)-type program ... prompts scrutiny of that program's past performance."

I agree with this statement wholeheartedly and I am deeply concerned that this legislation—which was in effect from 1983 through 1990—produced less than impressive results—even though I was active in its passage.

(I will review my own legislation closer and possibly change the provision regarding the Veterans Job Training Partnership Act.)

A failure rate of 62 percent—for veterans not completing their training programs—is just unheard of and not satisfactory, in any sense of the word.

The final analysis showed that the majority of veterans who participated in the program were not hired by the employers who trained them. That is quite disturbing news.

I also noted and understand the VA's frustration with the administrative difficulties that were experienced with the Department of Labor under the old Veterans Job Training Act, and that are anticipated with this new legislation.

Finally, I understand that this legislation duplicates programs already in existence and required by the VA and the Department of Labor, under current law.

All of these concerns and others that have been raised, must be studied in more detail. We are all committed to employing our nation's veterans and to addressing the impact of rising costs of an education—especially in this historic time of sweeping change.

We must continue to be cautious that we do not simply "jump on the bandwagon" and continue to mandate new entitlements that will be difficult or impossible to pay for.

I am willing to work with the Committee, Mr. Chairman. I look forward to sitting down with you and others who are interested in finding a common sense solution to veterans' job training and education problems.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF D'WAYNE GRAY, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before this Committee to provide the views of the Department of Veterans Affairs (VA) on legislation pending before you: S. 2515, a bill establishing a job training program to assist recently separated and unemployed veterans and S. 2647, a bill amending the Montgomery GI Bill (MGIB) and other title 38 education benefit programs, as well as VA's pension and vocational rehabilitation programs.

Mr. Chairman, with regard to S. 2515, the proposed "Veterans' Employment and Training Act of 1992," we appreciate and share your interest, and that of the entire Committee, in promoting and facilitating the employment of our Nation's veterans. We cannot, however, support this particular proposal since we do not believe it would fulfill its objectives.

This legislation derives from the Veterans' Job Training Act (VJTA) with significant modifications and distinctions. That Act, which expired on June 30, 1991, was not particularly effective in securing long-term employment for eligible wartime

veterans who had been unemployed for a substantial period, and we have no reason to believe that this modified reincarnation will produce better results.

S.2515 would retain much of the VJTA's structure with notable distinctions, the most salient being that the Department of Labor (DOL) would have responsibility for the administration of almost all substantive programmatic areas, including determinations of participant eligibility and approval of programs. VA would be responsible for essentially ministerial functions; i.e., payment of training expenses to employers and certified veterans. Both VA and DOL, however, would be responsible for employment counseling and outreach efforts. In addition, this bill contains a new provision authorizing payment of a training allowance to certified veterans for work-related expenses, including the purchase of work clothes and tools, car and bus fare, and the provision of child care. As well, it would provide for the payment of accommodation assistance to employers of disabled veterans to cover the cost of any modifications of facilities or equipment necessary to expedite the training and employment of such veterans.

S. 2515 would target a different group of beneficiaries for job training assistance than did the VJTA. Eligibility, for instance, would not be limited to Korean conflict and Vietnam era veterans, as previously was the case. Instead, S. 2515 would provide programs of job training for all veterans discharged or released from active duty under conditions other than dishonorable. The veteran must have served a period of more than 90 days in the active military, naval, or air service or, if having a lesser period of such service, must have been discharged or released from active duty because of a service-connected disability.

Additional eligibility criteria would require that the veteran, at the time of applying, be unemployed and have been unemployed for at least 10 of the 15 weeks immediately preceding his or her commencement of participation in the program or have been separated from active duty not more than 10 weeks before the commencement of such participation.

Mr. Chairman, any consideration given a possible reiteration of a VJTA-type program necessarily prompts scrutiny of that program's past performance. We have an analysis of the VJTA which is instructive and, as I previously indicated, shows that it produced less than impressive results.

Public Law 100-323 mandated that a study be undertaken evaluating the implementation of the VJTA. This study, which was completed by VA in 1989, ascertained that the average participation rate for the program was only 13.3 percent of those veterans who were certified as eligible to participate. Of those who did participate, 62 percent failed to complete their training programs. Moreover, more than 55 percent of the noncompleters dropped out prior to completing even 3 months of training. The two major reasons recorded for noncompletion were quitting and being let go by the employer.

It is particularly telling that, as of the end of Fiscal Year 1991, the Federal Government obligated a total of \$205 million for VJTA training, yet only 5.1 percent of VJTA applicants actually completed a job training program. Final analysis showed that the majority of individuals participating in such training are not hired by the employers providing the training.

Mr. Chairman, other considerations, as well, have influenced our decision not to support this bill. S. 2515 provides that the DOL and VA will share responsibility to assist eligible veterans to obtain permanent employment requiring significant and meaningful training. While we fully agree in concept with this goal, we cannot emphasize strongly enough the many administrative difficulties which would result if this bill were enacted. While, under the VJTA, VA had approval and compliance authority in administering the program, extensive coordination between DOL and VA still was required. This mandated coordination invariably produced delays, errors, and administrative misunderstandings. Regrettably, it also enabled egregious abuses of the program that only belatedly were uncovered upon compliance survey. S. 2515 would require an even higher degree of coordination than under the VJTA to assure exchange of accurate, timely information since VA could be making payments to both employers and some employees without either approval or compliance authority.

It is also true that, in general, because a job training program typically places a single individual or, at most, a few trainees at each job site and such sites tend to be widely distributed, oversight of such a program is difficult and labor intensive. More specifically, the work-related expense provision of S. 2515 which provides allowances for such items as clothing, tools, and child care intensifies the burden of oversight and provides additional possibilities of fraud, waste, and abuse.

The work-related training benefit presumably is aimed at reducing the dropout rate by providing the veteran an additional incentive to remain in the program and

allaying some of the veteran's financial concerns while in training. This may work as a retention device, although the VJTA study did not indicate that the 62 percent failure rate was caused by a financial burden on the veteran. However, the sad fact is that of the 460,246 veterans certified to participate in the program only 61,227 did so because applicant potential simply did not match with employment offerings. The vast majority of unemployed veterans were not reached by the VJTA nor is there reason to expect they would be reached by the S. 2515 program.

Moreover, S. 2515 authorizes a job training program which in large measure duplicates activities currently required of VA and DOL under existing law (for example, chapter 41 of title 38).

We believe that the educational and on-job training assistance provided to veterans through the Montgomery GI Bill (MGIB) and to eligible veterans with service-connected disabilities under our chapter 31 vocational rehabilitation program, together with programs such as the Job Training Partnership Act and the broad range of outreach and transition assistance being provided by VA in conjunction with the Departments of Labor and Defense, are having a positive effect on helping veterans secure employment.

In sum, Mr. Chairman, based on our Department's experience in administering the VJTA and our study findings, we cannot support a bill which authorizes an even more problematic program than its predecessor. We acknowledge the transition and unemployment difficulties faced by veterans being discharged during this period of downsizing by the military, and I assure you that we are committed to efforts to address those difficulties. Nevertheless, establishing a program which contains the same inherent difficulties as the prior VJTA, exacerbated by the bifurcation of key substantive responsibilities to the DOL and administrative payment responsibilities to VA, is not a viable solution.

Mr. Chairman, you also requested our comments on S. 2647. This measure, consisting of three titles covering educational assistance programs; vocational rehabilitation and pension programs; and job training and placement services for veterans, respectively, contains many provisions with which we agree. Nevertheless, we cannot support this measure as drafted since it includes provisions which we find unnecessary.

As further discussed below, VA supports, or has no objection to, various new provisions of this bill pertaining to the educational assistance and vocational rehabilitation programs VA administers, but cannot support certain new proposals expanding entitlement under those programs and increasing Montgomery GI Bill and vocational rehabilitation subsistence allowance rates.

Most of the provisions in S. 2647, if passed, would be subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. In particular, the Montgomery GI Bill increase will have substantial costs that are not offset by the other provisions of the bill. Cost estimates are under development and will be provided to the Committee at a later date.

We note that S. 2647 also contains several provisions derived from VA-requested legislation pending from the first session of this Congress, as well as provisions implementing certain recommendations of the Commission on Veterans' Education Policy (CVEP) established under Public Law 99-576. We continue to support and urge prompt enactment of the VA's proposals from the last session identified in our letter of March 27, 1992. In addition, we support, with some modification, several of the CVEP recommendations incorporated in this bill.

Title I of S. 2647 consists of educational assistance program amendments. Section 101 would provide for rate increases under the MGIB-Active Duty (chapter 30) and the MGIB-Selected Reserve (chapter 106). The full-time rate for chapter 30 basic benefits would be \$450 a month (a 50 percent increase over the original rate). Rates for individuals with a 2-year obligation and supplemental benefit rates would likewise increase. Members of the Selected Reserve would receive \$200 per month (42.8 percent over the original rate) for full-time training.

This section further would remove the MGIB rate increases and future discretionary cost-of-living adjustments authorized by Public Law 102-25. That law, enacted just over a year ago (April 6, 1991), increased basic chapter 30 full-time assistance to \$350 a month for veterans whose initial obligated period of service was at least 3 years; \$275 a month for persons whose obligation was for 2 years. The increases are effective for Fiscal Years 1992 and 1993, after which the Secretary has the discretionary authority to decide whether to maintain the increased rates, revert to the preceding rates, or further increase rates in proportion to the percentage increase in the relevant Consumer Price Index (CPI). Public Law 102-25 also increased full-time educational allowance rates under chapter 106 from \$140 to \$170 per month for

Fiscal Years 1992 and 1993, and similarly granted the Secretary of Defense the discretionary authority to adjust such rates thereafter.

The MGIB basic educational assistance allowance is intended to help meet, in part, the expenses of the eligible individual's subsistence and educational costs during the period of his or her enrollment. Servicemembers who decide to participate are fully aware of their benefits at the time of their sign-up. High levels of participation indicate that the current benefit rates have not deterred participation. While we realize that education costs continue to increase, the Secretary currently has the authority to increase the chapter 30 rates as warranted by rising costs and need. Further, we have received no indication from the DOD that an increase such as the one contemplated by S. 2647 is needed to accomplish the military recruitment/retention purposes which have become the primary orientation of the program. Therefore, we cannot support this increase in the chapter 30 basic monthly benefit.

We defer to the views of the DOD concerning the rate increases proposed for the chapter 106 program which is within their jurisdiction.

Sections 102 and 103 of S. 2647 would permit individuals training under the MGIB chapter 106 program to pursue graduate courses and to receive tutorial assistance, respectively. We defer to the DOD for their views on these two sections.

Section 104 of S. 2647 would amend the eligibility requirements under chapter 30 to provide that a period of active duty of less than 12 months would not be counted as part of an individual's initial obligated period of service for MGIB eligibility purposes if the discharged veteran later reenlists or reenters on active duty. Any reduction in basic pay during the initial period of service would be counted toward the \$1,200 pay reduction required for MGIB eligibility. This provision would avoid penalizing veterans who had to leave service after serving only a short period and who later reentered and served a full term on active duty. We have no objection to this provision.

Section 105 would permit MGIB-Active Duty participants to receive benefits at the same rate as veterans if training at one-half time or more. Due to the complexity of requirements in VA's various educational assistance programs, we are currently preparing a separate and complete package of proposals for standardizing all VA educational benefits. The Department's position is to give full support to the principle of standardization wherever appropriate. This item is among those being considered; however, the Administration's position has yet to be determined.

Sections 106 through 109 of S. 2647 are provisions derived from S. 1519, a bill which you introduced on our behalf on July 8, 1991. These provisions would equalize the MGIB benefits for the same amount of active duty served (section 106), eliminate advance payment of work-study allowance (section 107), change accredited course approval requirements (section 108), and bar VA payment of educational assistance for training paid for under the Government Employees Training Act (section 109). VA favors these provisions substantively, as long as they are offset.

As previously noted, Mr. Chairman, certain provisions of S. 2647, i.e., sections 110 through 113, are derived from recommendations of the Commission on Veterans' Education Policy. Section 110 of the proposed legislation would eliminate the recovery of advance payment of educational benefits when the eligible veteran dies prior to pursuing a course for which the payment is made. We note that, since an advance payment is used for initial expenses related to enrollment, in most instances following a claimant's death early in a term, there will be no remaining funds from the advance payment.

Section 111 would clarify the definition of "change of program" for VA education purposes. The language of the bill provides that an individual would not be charged with a change of program if the individual successfully completes the first program; the second program leads to a vocational, educational, or professional objective in the same general field as the first program; or, the first program is a prerequisite to pursuit of the second program. In addition to these Commission recommendations, VA also endorses the Task Force advice in this area suggesting that a change of program not be charged when, after transferring from one program to another, a claimant transfers back to the original program and there is no loss of credit from the first program.

Section 112 would provide that independent study in nonaccredited degree programs would no longer be approved. Those individuals pursuing nonaccredited independent study courses on the date of enactment of this legislation who continue to meet the eligibility requirements for assistance and remain continuously enrolled would continue to receive benefits. VA agrees with the Commission's recommendation in this area and supports this section.

Section 113 would make several amendments to course measurement requirements that would eliminate the benefit differential for independent study and other nontraditional types of training in accredited undergraduate degree programs that have been approved by State approving agencies; prohibit the use of benefits for nonaccredited independent study; eliminate the standard class-session requirement; base benefit payments for concurrent pursuit of graduate and undergraduate training on the training time certified by the school, rather than the current conversion computations; replace a complex statutory measurement criteria for the payment of benefits for pursuit of courses at institutions of higher learning with a benefit based on the school's measurement system; and eliminate the benefit differential for accredited and nonaccredited, noncollege-degree courses. VA favors this simplification of the existing complex and administratively burdensome course measurement provisions.

Thus, with the one addition noted, we support the foregoing provisions implementing CVEP recommendations.

Section 114 of S. 2647 would permit up to 6 months of refresher training under chapter 35 for survivors and dependents whose education was interrupted or impeded by the disability or death of a spouse or parent who is a veteran. We support this concept, but recommend that, in lieu of this refresher training provision, the provisions authorizing remedial, refresher and deficiency courses for participants under chapters 30 and 32 (see sections 3034(a)(3) and 3241(a)(2)) likewise should apply to chapter 35 beneficiaries.

Section 115 would permit an individual who receives a commission as an officer in the Armed Forces after September 30, 1992, upon graduation from a military academy or upon completion of a senior ROTC program (under section 2107 of title 10), to participate in the MGIB. VA does not support this provision since it does not comport with the purposes of the program; clearly, it cannot be considered a recruitment/retention device.

Section 116 would make various technical amendments to chapter 36 of title 38 and chapter 106 of title 10. We find these appropriate and support them.

Mr. Chairman, title II of S. 2647 consists of amendments to VA's Vocational Rehabilitation and Pension Programs. The first three sections of this title again derive from S. 1519.

Section 201 would amend section 1163 of title 38 to make permanent the program of trial work periods and vocational rehabilitation for certain veterans with total disability ratings authorized by that section. This voluntary program motivates service-disabled veterans awarded a total rating based on Individual Unemployability (IU) to either participate in a vocational rehabilitation program, or utilize existing skills to secure employment. Successful program pursuit protects the IU rating unless and until the veteran maintains substantially gainful employment for 12 months.

Conceptually, the trial work period feature is consistent with current rehabilitation philosophy and practice, and clearly is an essential element of the program. However, the 12-month provision retained in this proposal is excessive in terms of the extent of protection needed for program purposes. A trial work period of 6 consecutive months, as proposed in S. 1519, is sufficient and we could support this section with such change.

Section 202 would amend section 1524 of title 38 to make permanent the program of vocational training for certain veterans awarded VA pension benefits, with modifications making program participation completely voluntary. VA strongly supports this amendment, as well as the collateral provisions of section 203 of the bill which makes permanent the 3-year protection of VA health-care eligibility for veterans who lose their pension due to employment.

Section 204 of S. 2647 would increase by 10 percent the subsistence allowance for veterans with service-related disabilities who participate in a training and vocational rehabilitation program under chapter 31. The subsistence allowance was increased by 7.5 percent effective January 1, 1990. In addition, trainees enrolled in a vocational rehabilitation program are now eligible for work-study allowances. Therefore, we believe further increases are unwarranted.

Section 205 would restore entitlement to vocational rehabilitation for veterans rated 10 percent disabled who are found by VA to have a serious employment handicap. We cannot support this proposal. Instead, we would urge your consideration of the Administration's legislative proposal to limit vocational rehabilitation program entitlement to service-disabled veterans rated 30 percent or more, which targets these extensive services to those most in need of assistance.

Mr. Chairman, section 206 of S. 2647 pertaining to the renouncement of income-based benefits and section 207 of that bill pertaining to the effective date of awards

are VA-requested legislation and derive from S. 1514 and S. 1518, respectively. More particularly, section 206 would amend section 5306 to provide that, when a new claim for an income-based benefit is filed within a year of a renouncement of the benefit, benefits will be payable as if the renouncement had not occurred. Section 207 would amend section 5110 of title 38 to provide that, when an award of pension has been deferred or paid based on anticipated income, the effective date of entitlement or increase in pension shall be in accordance with the facts found if evidence is received before the expiration of the next year. VA continues to support these two provisions.

Title III of S. 2647 contains two proposals within the jurisdiction of the Department of Labor. Section 301 of title III would expand the formula for the appointment of disabled veterans' outreach program specialists to include Vietnam-era veterans, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975), and disabled veterans. Section 302 would eliminate the date by which individuals can be considered veterans of the Vietnam era for employment and training purposes. VA defers to the views of the Department of Labor as to both of these provisions.

Mr. Chairman, we appreciate the Committee's continued interest in VA-requested legislation and urge adoption of those provisions included in S. 2647.

Mr. Chairman, this concludes my testimony. I will be pleased to answer any questions you or the members of the Committee may have.

PREPARED STATEMENT OF DAVID S. RITTERPUSCH, ACTING ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR

Mr. Chairman and Members of the Committee, I appreciate the opportunity to present the views of the Department of Labor regarding veterans' programs and policies involving Chapters 41, 42, and 43 of title 38, United States Code, and some related proposed legislation.

The Secretary of Labor has endorsed the following mission for the Department of Labor: To give each working man and woman a chance for job security and job opportunity in a changing world. For us in the Veterans' Employment and Training Service this mission translates into giving every American military veteran that same chance.

Today's hearing is a timely opportunity to discuss the nation's delivery system of employment and training services as they affect an important segment of the American workforce that will experience great change in the next few years—the American military veteran.

When we look at the current year and the next three years, we see the military draw down eliminating roughly 370,000 active military positions.

In addition almost 130,000 civilian positions in the Department of Defense (DOD) will be eliminated from now until 1995. These workers will compete for private sector employment opportunities with people leaving the active military. Of that total, 37 percent of DOD civilians are veterans; thus, potentially another 50,000 DOD civilians who are already veterans may be seeking new opportunities for employment through 1995.

A third group of Americans competing for civilian job opportunities because of the military downsizing is comprised of those who work for defense-related employers. Well over one-half million positions may be eliminated in this sector during this year and the next three years. If we assume that every worker whose position is eliminated seeks a new job rather than retires and that 14 percent of these workers are veterans, another 70,000 veterans could be seeking new employment through 1995.

In sum, the nation's delivery system for employment and training is confronted by an event, the U.S. military build down, which will require an additional half million veterans to seek new jobs over the next four years.

To help in the transition of American military servicemembers to the civilian workforce, the Department of Labor, along with Department of Defense and the Department of Veterans Affairs, has developed the Transition Assistance Program (TAP). We believe this is a highly effective program.

TAP offers intensive training and counseling in making career decisions, conducting a successful job search, and other related transition issues. The program allows for constant fine tuning to ensure that the latest techniques are being taught. Materials and information provided to participants are prepared by nationally known experts in the employment and training field. The cornerstone of TAP is a 3-day work-

shop in which participants are provided counseling, assistance in identifying employment and training opportunities, skills assessment, and instruction in job search techniques such as resume writing and interview skills.

During Fiscal Year 1991, 430 TAP workshops provided assistance to 22,000 separating servicemembers. From October 1, 1991 to March 31, 1992, 44,000 exiting military personnel attended 889 TAP workshops held nationwide. We are pleased to report that TAP workshops are now available at 156 military installations. Furthermore, by the end of Fiscal Year 1992, TAP workshops will be operating at 178 sites, making the program available to 97 percent of the separating servicemembers stationed within the United States.

We are looking for ways to expand this vital service to reach as many servicemembers and their spouses as we possibly can. We are developing a TAP video to complement the workbook that can be presented to those servicemembers stationed overseas and aboard ship. Other uses for the video are being explored. One idea is to make the video available at military base libraries to be checked out and viewed by spouses unable to attend TAP workshops. We are also looking at a modified, evening version of TAP that may be more appropriate and accessible to spouses.

Despite TAP's effectiveness, it alone is not the solution. The surge of veterans displaced from the military and civilian jobs because of the military build-down requires us to examine new ways to deliver employment and training services effectively. We intend to take this opportunity that the military downsizing presents us, as well as the impending sunset on December 31, 1994, of the Vietnam-era veteran definition for the purposes of Chapter 41 and 42 of Title 38, U.S. Code, to examine our employment and training services to veterans.

I appreciate the importance of the effect the "sunsetting" will have on the Disabled Veterans' Outreach Program and on affirmative action for Vietnam-era veterans which are monitored by my office and the Office of Federal Contract Compliance Programs, respectively. Significant quantifiable analysis of the requirements of the nation's employment and training system must be undertaken. We must review the mission and intent of the current DVOP and LVER systems. We must evaluate their capability to meet the employment and training needs of the surge of new veterans who will enter the job market in the coming few years. And we must integrate the needs of the new veterans with the needs of those veterans currently requiring employment assistance, especially disabled veterans.

With this review currently in progress, I would like to comment on the employment provisions of Senate bill S. 2647, which primarily amends the formula for the appointment of staff for the Disabled Veterans' Outreach Program and removes the "sunset" provision from the statutory Vietnam era veteran definition. The proposed formula would yield about 1,890 Disabled Veterans' Outreach Program positions as compared to the 1,885 that result from application of the current formula. Since this bill has only recently come to our attention, we cannot fully ascertain the full consequences of removing the "sunset" provision from the Vietnam-era veteran definition and the addition of post-Vietnam era veterans to the statutory formula.

While we appreciate the desire of this committee to prevent an abrupt reduction in the DVOP grants, we cannot support the provision of S. 2647 until we have fully explored alternative delivery systems and resource requirements.

I will take this opportunity, however, to report to you on the recent accomplishments of this agency which are an important part of this analysis. The Veterans' Employment and Training Service's DVOP and LVER programs provided services to over 60,000 disabled veterans during the program year that ended on June 30, 1991. Over 35,000 of those receiving services were special disabled veterans. Of the disabled veterans served, 16,606 obtained employment, and of the special disabled veterans, 9,946 also obtained jobs. For veterans in general, the Employment Service had over 2.4 million veteran applicants, of which 20 percent, or 500,038 veterans, obtained employment.

We are also proud of our accomplishments relative to Veterans' Reemployment Rights following the Desert Shield/Desert Storm action. The Veterans' Employment and Training Service held over 1,100 briefings for returning troops, covering over 100,000 servicemembers. We also briefed over 9,500 employers on their responsibilities and handled over 10,000 inquiries regarding Desert Shield/Desert Storm service. During fiscal year 1991, we opened 2,539 cases, of which 1,023 were Desert Storm related. The average VRR complaint was brought to closure within 48 days, and 88 percent of all cases were closed within 90 days. For those new veterans who were employed before joining the military and are leaving military service after their first enlistment, VRR will assist them in getting their jobs back.

Before closing, I would like to take this opportunity to present the views of the Department of Labor regarding S. 2515 which would reauthorize, with modifica-

tions, the Veterans' Job Training Act (VJTA). Mr. Chairman, I share your desire and commitment to alleviate unemployment among our nation's veterans. However, while S. 2515 would provide payment to employers to hire and train veterans for permanent jobs as an incentive to create jobs, the program as constructed would not fulfill its objectives and would only replicate the unacceptable performance of the original VJTA. Testimony by the Department of Veterans Affairs will discuss the findings of the statutorily mandated study of VJTA which was completed in 1989.

S. 2515 would require a considerable resource commitment to a labor-intensive program of certifying program eligibility, case management and counseling while responding to the unemployment and training needs of very few veterans. It would require the immediate diversion of resources away from our review and administration of successful, existing programs in order to coordinate extensively with the VA and the states to administer this costly program, which would serve relatively few veterans and has had only a 5.1 percent success rate in the past. The information and reporting requirements alone of the proposed bill would cause considerable problems and expense—and delay implementation of the program.

While S. 2515 would attempt to address our concern for the new veterans who will be entering the civilian labor market, the growth of our nation's economy and the creation of new jobs as we emerge from the recession ultimately will provide much greater job opportunities for veterans. And, as I have testified before, we are moving aggressively to expand the Transition Assistance Program without reducing the wide array of employment services offered to veterans. We believe this early intervention program, along with employment services offered by Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) will serve the employment needs of a large number of veterans now and for years to come. Accordingly, the Department of Labor opposes S. 2515.

In closing, I appreciate the opportunity to discuss change within the Veterans' Employment and Training Service. The dynamic developments in our defense structure present us with a challenge and an opportunity—an opportunity to focus our attention on the most effective employment and training systems that can be implemented, which will continue to serve the veteran who left military service some time ago while also facilitating the new veterans' transition from defense to civilian employment.

I now will be happy to answer any questions you may have. Thank you.

VETERANS ENTERING CIVILIAN WORKFORCE FROM ACTIVE MILITARY AND THEIR SPOUSES

	1992	1993	1994	1995	Total
New veterans	365,000	350,000	320,000	280,000	1,315,000
Spouses ¹	219,000	210,000	192,000	168,000	789,000
Total	584,000	560,000	512,000	448,000	2,104,000

¹ Based on 60 percent of separating military being married.

VETERANS ENTERING CIVILIAN WORKFORCE FROM ACTIVE MILITARY

(Projections by State)

Gaining State ¹	1992	1993	1994	1995	Total
California (10.5%)	38,325	36,750	33,600	29,400	138,075
Texas (7.4%)	27,010	25,900	23,680	20,720	97,310
Florida (6.2%)	22,630	21,700	19,840	17,360	81,530
New York (4.7%)	17,155	16,450	15,040	13,160	61,805
Ohio (4.6%)	16,790	16,100	14,720	12,880	60,490
Pennsylvania (4.2%)	15,300	14,700	13,440	11,760	55,230
Virginia (4.0%)	14,800	14,000	12,800	11,200	52,600
Illinois (3.7%)	13,505	12,950	11,840	10,360	48,655
Michigan (3.6%)	13,140	12,600	11,520	10,808	47,340
North Carolina (3.3%)	12,045	11,550	10,560	9,240	43,395
Georgia (3.2%)	11,680	11,200	10,240	8,960	42,080
Washington (3.0%)	10,950	10,500	9,600	8,400	39,450
Indiana (2.3%)	8,395	8,050	7,360	6,440	30,245
Maryland (2.2%)	8,030	7,700	7,040	6,160	28,930
Missouri (2.0%)	7,300	7,000	6,400	5,600	26,300
South Carolina (2.0%)	7,300	7,000	6,400	5,600	26,300
Tennessee (2.0%)	7,300	7,000	6,400	5,600	26,300
Alabama (1.9%)	6,935	6,650	6,080	5,320	24,985

VETERANS ENTERING CIVILIAN WORKFORCE FROM ACTIVE MILITARY—Continued

(Projections by State)

Gaining State ¹	1992	1993	1994	1995	Total
Colorado (1.9%)	6,935	6,650	6,080	5,320	24,985
Louisiana (1.8%)	6,570	6,300	5,760	5,040	23,670
New Jersey (1.8%)	6,570	6,300	5,760	5,040	23,670
Arizona (1.7%)	6,205	5,950	5,440	4,760	22,355
Wisconsin (1.7%)	6,205	5,950	5,440	4,760	22,355
Kentucky (1.6%)	5,840	5,600	5,120	4,480	21,040
Minnesota (1.4%)	5,110	4,900	4,480	3,920	18,410
Oklahoma (1.4%)	5,110	4,900	4,480	3,920	18,410
Massachusetts (1.3%)	4,745	4,550	4,160	3,640	17,095
Oregon (1.2%)	4,380	4,200	3,840	3,360	15,780
Arkansas (1.1%)	4,015	3,850	3,520	3,080	14,465
Mississippi (1.0%)	3,650	3,500	3,200	2,800	13,150
Iowa (1.0%)	3,650	3,500	3,200	2,800	13,150
Kansas (1.0%)	3,650	3,500	3,200	2,800	13,150
West Virginia (0.8%)	2,920	2,800	2,560	2,240	10,520
New Mexico (0.8%)	2,920	2,800	2,560	2,240	10,520
Connecticut (0.8%)	2,290	2,800	2,560	2,240	10,520
Nebraska (0.8%)	2,920	2,800	2,560	2,240	10,520
Nevada (0.7%)	2,555	2,450	2,240	1,960	9,205
Maine (0.6%)	2,190	2,100	1,920	1,680	7,890
Hawaii (0.6%)	2,190	2,100	1,920	1,680	7,890
Idaho (0.5%)	1,825	1,750	1,600	1,400	6,575
Utah (0.5%)	1,825	1,750	1,600	1,400	6,575
New Hampshire (0.4%)	1,460	1,400	1,280	1,120	5,260
Montana (0.4%)	1,460	1,400	1,280	1,120	5,260
South Dakota (0.4%)	1,460	1,400	1,280	1,120	5,260
Alaska (0.4%)	1,460	1,400	1,280	1,120	5,260
North Dakota (0.3%)	1,095	1,050	960	840	3,945
Rhode Island (0.3%)	1,095	1,050	960	840	3,945
Delaware (0.3%)	1,095	1,050	960	840	3,945
Wyoming (0.2%)	730	700	640	560	2,630
Vermont (0.2%)	730	700	640	560	2,630
District of Columbia (0.2%)	730	700	640	560	2,630
Total, all States	365,000	350,000	320,000	280,000	1,315,000

¹ Projections by State are based on DOD data for 1990 and 1991 extrapolated against DOD projected total attrition for 1992 through 1995.

NOTE.—Percentages in parentheses reflect each State's share of 1990–1991 attrition from active military.

SPOUSES OF THE VETERANS ENTERING CIVILIAN WORKFORCE FROM ACTIVE MILITARY ¹

(Projections by State)

Gaining State	1992	1993	1994	1995	Total
California	22,995	22,050	20,160	17,640	82,845
Texas	16,206	15,540	14,208	12,432	58,386
Florida	13,578	13,020	11,904	10,416	48,918
New York	10,293	9,870	9,024	7,896	37,083
Ohio	10,074	9,660	8,832	7,728	36,294
Pennsylvania	9,198	8,820	8,064	7,056	33,138
Virginia	8,760	8,400	7,680	6,720	31,560
Illinois	8,103	7,770	7,104	6,216	29,193
Michigan	7,884	7,560	6,912	6,048	28,404
North Carolina	7,227	6,930	6,336	5,544	26,037
Georgia	7,008	6,720	6,144	5,376	25,248
Washington	6,570	6,300	5,760	5,040	23,670
Indiana	5,037	4,830	4,416	3,864	18,147
Maryland	4,818	4,620	4,224	3,696	17,358
Missouri	4,380	4,200	3,840	3,360	15,780
South Carolina	4,380	4,200	3,840	3,360	15,780
Tennessee	4,380	4,200	3,840	3,360	15,780
Alabama	4,161	3,990	3,648	3,192	14,991
Colorado	4,161	3,990	3,648	3,192	14,991
Louisiana	3,942	3,780	3,456	3,024	14,202
New Jersey	3,942	3,780	3,456	3,024	14,202
Arizona	3,723	3,570	3,264	2,856	13,413

SPOUSES OF THE VETERANS ENTERING CIVILIAN WORKFORCE FROM ACTIVE MILITARY ¹—Continued

(Projections by State)

Gaining State	1992	1993	1994	1995	Total
Wisconsin.....	3,723	3,570	3,264	2,856	13,413
Kentucky.....	3,504	3,360	3,072	2,688	12,624
Minnesota.....	3,066	2,940	2,688	2,352	11,046
Oklahoma.....	3,066	2,940	2,688	2,352	11,046
Massachusetts.....	2,847	2,730	2,496	2,184	10,257
Oregon.....	2,628	2,520	2,304	2,016	9,468
Arkansas.....	2,409	2,310	2,112	1,848	8,679
Mississippi.....	2,190	2,100	1,920	1,680	7,890
Iowa.....	2,190	2,100	1,920	1,680	7,890
Kansas.....	2,190	2,100	1,920	1,680	7,890
West Virginia.....	1,752	1,680	1,536	1,344	6,312
New Mexico.....	1,752	1,680	1,536	1,344	6,312
Connecticut.....	1,752	1,680	1,536	1,344	6,312
Nebraska.....	1,752	1,680	1,536	1,344	6,312
Nevada.....	1,533	1,470	1,344	1,176	5,523
Maine.....	1,314	1,260	1,152	1,008	4,734
Hawaii.....	1,314	1,260	1,152	1,008	4,734
Idaho.....	1,095	1,050	960	840	3,945
Utah.....	1,095	1,050	960	840	3,945
New Hampshire.....	876	840	768	672	3,156
Montana.....	876	840	768	672	3,156
South Dakota.....	876	840	768	672	3,156
Alaska.....	876	840	768	672	3,156
North Dakota.....	657	630	576	504	2,367
Rhode Island.....	657	630	576	504	2,367
Delaware.....	657	630	576	504	2,367
Wyoming.....	438	420	384	336	1,578
Vermont.....	438	420	384	336	1,578
District of Columbia.....	438	420	384	336	1,578
Total, all States.....	219,000	210,000	192,000	168,000	789,000

¹ Based on 60 percent of separating military being married.

VETERANS ENTERING THE CIVILIAN WORKFORCE FROM ACTIVE MILITARY AND THEIR SPOUSES

(Projections by State) ¹

Gaining State	1992	1993	1994	1995	Total
California.....	61,320	58,800	53,760	47,040	220,920
Texas.....	43,216	41,440	37,888	33,152	155,696
Florida.....	36,208	34,720	31,744	27,776	130,448
New York.....	27,448	26,320	24,064	21,056	98,888
Ohio.....	26,864	25,760	23,552	20,608	96,784
Pennsylvania.....	24,528	23,520	21,504	18,816	88,368
Virginia.....	23,360	22,400	20,480	17,920	84,160
Illinois.....	21,608	20,720	18,944	16,576	77,848
Michigan.....	21,024	20,160	18,432	16,128	75,744
North Carolina.....	19,272	18,480	16,896	14,784	69,432
Georgia.....	18,688	17,920	16,384	14,336	67,328
Washington.....	17,520	16,800	15,360	13,440	63,120
Indiana.....	13,432	12,880	11,776	10,304	48,392
Maryland.....	12,848	12,320	11,264	9,856	46,288
Missouri.....	11,680	11,200	10,240	8,960	42,080
South Carolina.....	11,680	11,200	10,240	8,960	42,080
Tennessee.....	11,680	11,200	10,240	8,960	42,080
Alabama.....	11,096	10,640	9,728	8,512	39,976
Colorado.....	11,096	10,640	9,728	8,512	39,976
Louisiana.....	10,512	10,080	9,216	8,064	37,872
New Jersey.....	10,512	10,080	9,216	8,064	37,872
Arizona.....	9,928	9,520	8,704	7,616	35,768
Wisconsin.....	9,928	9,520	8,704	7,616	35,768
Kentucky.....	9,344	8,960	8,192	7,168	33,664
Minnesota.....	8,176	7,840	7,168	6,272	29,456
Oklahoma.....	8,176	7,840	7,168	6,272	29,456
Massachusetts.....	7,592	7,280	6,656	5,824	27,352

VETERANS ENTERING THE CIVILIAN WORKFORCE FROM ACTIVE MILITARY AND THEIR SPOUSES—Continued

(Projections by State)¹

Gaining State	1992	1993	1994	1995	Total
Oregon	7,008	6,720	6,144	5,376	25,248
Arkansas	6,424	6,160	5,632	4,928	23,144
Mississippi	5,840	5,600	5,120	4,480	21,040
Iowa	5,840	5,600	5,120	4,480	21,040
Kansas	5,840	5,600	5,120	4,480	21,040
West Virginia	4,672	4,480	4,096	3,584	16,832
New Mexico	4,672	4,480	4,096	3,584	16,832
Connecticut	4,672	4,480	4,096	3,584	16,832
Nebraska	4,672	4,480	4,096	3,584	16,832
Nevada	4,088	3,920	3,584	3,136	14,728
Maine	3,504	3,360	3,072	2,688	12,624
Hawaii	3,504	3,360	3,072	2,688	12,624
Idaho	2,920	2,800	2,560	2,240	10,520
Utah	2,920	2,800	2,560	2,240	10,520
New Hampshire	2,336	2,240	2,048	1,792	8,416
Montana	2,336	2,240	2,048	1,792	8,416
South Dakota	2,336	2,240	2,048	1,792	8,416
Alaska	2,336	2,240	2,048	1,792	8,416
North Dakota	1,752	1,680	1,536	1,344	6,312
Rhode Island	1,752	1,680	1,536	1,344	6,312
Delaware	1,752	1,680	1,536	1,344	6,312
Wyoming	1,168	1,120	1,024	896	4,208
Vermont	1,168	1,120	1,024	896	4,208
District of Columbia	1,168	1,120	1,024	896	4,208
Total, all States	583,416	559,440	511,488	447,552	2,101,896

¹ Data reflects veterans' projections by State (based on DOD numbers for active military attrition in 1990 and 1991) plus 60% add on for spouses (based on 60% of separating military being married).

PREPARED STATEMENT OF ROBERT E. DAVID, EXECUTIVE DIRECTOR, SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION

Mr. Chairman, Distinguished Committee Members, Ladies and Gentlemen, my name is Robert E. David, and I am Executive Director of the South Carolina Employment Security Commission. I am the senior state employment security administrator in the nation, I believe, with over 17 years in my current position. Also, I serve as chairman of the Veterans Affairs Committee of the Interstate Conference of Employment Security Agencies.

My testimony today will reflect my experience and that of the State of South Carolina in dealing with the issues of unemployment and the job training needs of veterans. First, however, let me say that I applaud Senator DeConcini and his colleagues for introducing this important legislation. It is badly needed by our veterans, and it will be a wise investment in some of the nation's most valuable human resources.

I would have to admit to you that I am somewhat prejudiced with respect to this subject. As a young man, I worked a full shift in a textile mill in Camden, South Carolina, while attending high school. When I joined the Army and headed for combat duty in World War Two, I had dreams beyond military service; but those goals seemed unattainable at the time. Today, like thousands of other GIs, I owe my education and other achievements to programs like this one. The GI Bill of Rights, by any measure, is one of the soundest investments in human resources in the history of human activity.

This bill comes at a critical time for the nation and our veterans. As you know, thousands of military personnel are in the process of being separated daily; and that number will climb to over 1/2 million in the near future.

Our economy is improving, but the transition of this large number of military personnel to civilian life will create real problems. The Veterans' Employment and Training Act of 1992 will be an important incentive to employers to hire and train veterans. Employers need that incentive.

Now, there are several key points that I would like to make.

First, this multi-year program is exactly what America needs to prove our commitment to our veterans. But equally important is the fact that we will have the

time to test ideas and improve the program. Several years ago, we implemented a program in South Carolina where we assisted a group of veterans to start their own businesses. The results were very good. The program not only helped deserving veterans, but it created a significant number of new jobs. That is what this legislation can accomplish: a positive impact on the overall economy. It will be an investment, not an expense.

Second, in order to work, fiscal policy between the Congress and the Administration should be clearly established. The program, once started, should be allowed to run its course and achieve its objectives.

Third, coordination between partners is essential to achieve success. What we have learned from the Transition Assistance Program should serve as a model. A full partnership must be enjoined between DOL, DVA, DOD, the states and the private sector. The Department of Labor should have full responsibility for implementing the hands-on provisions of this bill to include responsibility for dispersing payments to veterans and employers under this act. Others would support and assist in their respective areas. This will prove more cost-effective. The employment security system has the capability and commitment to get the job done. The system already is in place, already at work with the Transition Assistance Program, and sits at the center of the nation's job network. As you know, local employment offices throughout the country are staffed with personnel who specialize in serving and placing veterans. (I am referring to those individuals known as DVOPs and LVERs.) Of course, they will be overwhelmed during the next several years, and we would hope that adequate funding for their work would be provided by the Congress.

Fourth, I would ask you to consider amending the bill on one point: Instead of requiring that a veteran be out of work for 10 of the 15 weeks preceding participation in the program, why not let the criterion be 5 weeks? An additional 5 weeks of unemployment only delays the opportunity to obtain and complete training; and our experience has been that if a person is unemployed 5 weeks, the period of unemployment is likely to be extended.

In conclusion, Mr. Chairman, we salute the authors and supporters of this legislation. It is badly needed and will be greatly appreciated by our veterans and all of us who owe so much to them. Thank you for this opportunity.

PREPARED STATEMENT OF JOHN F. HUDACS, COMMISSIONER OF LABOR, NEW YORK STATE DEPARTMENT OF LABOR

Mr. Chairman, my name is John Hudacs, and I serve as New York State Commissioner of Labor. I appreciate the opportunity to appear today to present our views on S. 2515, the "Veterans' Employment and Training Act of 1992" and on S. 2647, the "Veteran's Readjustment Benefits Improvement of 1992."

I wish to commend the Committee for consideration of this much needed legislation. The need among veterans for employment and training assistance is greater than it has been in a decade. Compounding the problems that veterans of previous generations are having in securing meaningful employment at a decent wage due to the recession and major shifts in the economy, is the influx of recently separated veterans, many of whom had intended to remain in the military.

As an illustration of this problem, the number of claims for unemployment compensation from veterans rose by 64.7% from 1989 to 1991 in New York State (as opposed to a 29% rise for the general population). In fact, 79% of all veterans who separated from the military between 1989 and 1991 have applied for benefits. While all of these newly separated veterans are eligible for unemployment insurance, many veterans of earlier generations, particularly African-American and Latino veterans, have not been in the mainstream job market long enough to qualify for these benefits. In New York City, over two-thirds of the veterans who seek employment services from the New York State Department of Labor are not eligible at this time to receive unemployment compensation because they have not had enough steady work to qualify.

It is obvious that while we must ensure that all qualified veterans receive unemployment compensation, our first priority is to help these veterans locate and secure meaningful employment.

Mr. Chairman, it is for these reasons that the New York State Department of Labor is very much in favor of S. 2515, the "Veterans' Employment and Training Act of 1992." We are confident that this legislation will provide us with a major tool to prepare our veterans to do the type of work available in an increasingly sophisticated workplace. Not only are veterans losing a particular job due to the recession,

but, for many, the types of work they have performed for the last 10 or 20 years are also disappearing. This legislation addresses this growing problem.

As Americans, we have a special responsibility to the men and women who are about to separate from the military (or who have separated within the last 48 months) to assist them in their transition to civilian employment.

We also have a special obligation to those who served in previous eras who now, through no fault of their own, are finding great difficulty obtaining meaningful work. Currently, our local service delivery staff do not have all the tools necessary to assist these veterans in regaining access to the job market.

Title IV-C of the Job Training Partnership Act has been effectively employed in New York State, but the amount of money available is woefully inadequate in the face of the increasing need. While we have made efforts to access Title III and Title II-A of the Job Training Partnership Act, these efforts have not resulted in the type and amount of flexible incentives and resources needed in light of the growing numbers of unemployed veterans.

Providing incentives to employers to hire and train veterans for jobs in the private sector is a long-term solution to a problem that has plagued us for decades. And, in drafting the Veterans' Employment and Training Act of 1992, I believe Senator DeConcini has placed responsibility for the program where it belongs—with the State Employment Security Agencies.

We deal with issues of unemployment and job training every day. We have thousands of men and women trained to offer the best, most efficient services available. We have offices in every community in the state of New York. Over the last four years, we have been converting all of our local offices into Community Service Centers where our staff is cross-trained to handle any need a veteran might have . . . From the application for unemployment benefits, to job placement, to assistance in resume preparation, to the location of affordable, quality child care. This is what our people do—and do well.

The New York State Department of Labor currently has 85 offices that are staffed by Disabled Veteran Outreach Program Specialists (DVOPs) and Local Veterans Employment Representatives (LVERs). By contrast, the U.S. Veterans' Administration has two offices in New York State.

Nationwide, there are 57 Veterans' Administration offices, compared to a total of 1,600 State Employment Security Agency offices.

It is also noteworthy that it is the State Employment Security Agencies that regularly interact with the business community, the very people that are the key to the success of this program.

One final reason why the State Employment Security Agencies are the logical choice for the administration of this program is that every veteran who becomes unemployed, either due to the recent downsizing or for other economic reasons, will be visiting our offices if they choose to apply for unemployment insurance benefits. Sending these same vets to a different location—often hundreds of miles from their hometown—to involve them in the programs outlined by Senator DeConcini would be wasteful and unreasonable.

With proper funding and a highly-tuned system of coordination with the Veterans' Administration, the U.S. DOL and all other agencies involved, I am confident that every Employment Security Agency in this country can provide exemplary services to veterans and employers under the provisions of the Veterans' Employment and Training Act of 1992.

In preparation for this hearing, I instructed my staff to contact representatives from several other State Employment Security Agencies across the country to determine their position on whether or not the responsibility for this program should be handled by state labor agencies. Their response was unanimous . . . If the proper resources are made available, then the State Employment Security Agencies are the obvious choice to handle the administration of the Veteran's Employment and Training Act.

Mr. Chairman, we applaud the intent of S. 2515 to provide incentives to employers to train and hire unemployed veterans. However, we believe that the fifty percent match up to a maximum of \$5,000 may not be enough to induce employers to participate in this program. In New York, the poverty level for a family of four is about \$14,500. Therefore, we would suggest that you consider raising the maximum to \$7,500 so that we can at least compensate veterans in a 12 month on-the-job training program at a rate above the poverty level. Competition, from local to global, often places employers in a position where they would choose not to hire anyone whom they would have to train, as the subsidies do not always defray the cost of having to divert trained personnel to train the new person, whether veteran or otherwise. However, if the subsidy was at least 50% of wages that would put par-

ticipants above the poverty level, we should be able to convince enough good employers to participate in this program and come closer to defining the cost of training.

I would strongly urge that the primary focus of the "Information and Outreach Services" outlined in Section 14 focus almost exclusively on employers. If there are good job opportunities, the veterans will come. Toward that end, I would strongly urge the Secretary of Labor to closely coordinate the public information efforts and any public service announcements with the organized business community.

I have here a copy of a palm card that we have mailed to 70,000 employers in New York State, in cooperation with The Business Council of New York State. The palm card is part of a joint initiative designed to inform employers about the current downsizing of the military and the availability of thousands of highly trained personnel who will be entering the civilian job market. The campaign also focuses on veterans from other eras who are unemployed.

I believe that the national leadership of the business community will respond in the same fashion as the state and local leadership have responded in New York, if they are requested to do so by the U.S. Secretary of Labor and by the President. We are in the midst of the largest exodus of men and women from the military since 1971 and probably since the end of World War II. In addition, there are more veterans unemployed and underemployed than since the height of the 1982 recession. Together these factors call for a national response by all facets of society, both public and private. The State Employment Security Agencies, the United States Department of Labor, Veterans Employment and Training Service, and the United States Department of Veterans Affairs cannot do it alone. However, with the active assistance of organized labor and the business community, we can make a significant difference for these veterans.

The passage of the Veterans' Employment and Training Act of 1992—even if it is fully funded for \$75 million—will only be one tool, albeit a vital one to accomplish the large task in front of us. We must have the active cooperation of the Employment and Training Administration of U.S. DOL, the local Job Training Partnership Act entities, the employer community at the national, state, and local level, the Small Business Administration, the Office of Personnel Management and all pertinent elements of the Federal government to be able to respond properly to what we believe to be an obligation the Nation owes to our veterans.

Governor Mario M. Cuomo said it best four years ago in announcing the New York State Veterans Bill of Rights for Employment Services: "We owe each veteran the chance to earn their piece of the American dream, the opportunity to obtain and sustain meaningful employment at a decent living wage."

There is no question, Mr. Chairman, that the plight of separating veterans is a major concern and a priority for numerous Federal and State agencies which have attempted to address this problem with well-intentioned but often ineffective or incomplete programs. To put it bluntly, the "whole is less than the sum of the parts," whereas the whole should be (and easily could be) greater than the sum of the parts.

We favor the structure that you have designed in the legislation to have the potential veteran participants and the employer training programs certified by the Labor Department entity. We ask that you make it explicit that you are referring to the State Employment Security Agencies (SESA), acting as agents for the Secretary of Labor. The role of the United States Department of Labor would be to monitor the program through the Veterans Employment and Training representative(s) in each state.

We request that you reconsider the decision to have the U.S. Department of Veterans Affairs make all reimbursement payments to the employers. The marketing and certification of employers will actually be done by the staff of the SESAs. If there is any problem with payment of reimbursements to employers, those businesspersons will come back to the SESAs for redress. If we are going to be held accountable by the employers in our state, we prefer to have direct control over the disbursements. I understand that it was requested to you that the Labor Department could not make these disbursements. We in fact do successfully make such reimbursements to employers as a regular part of the many programs we administer, including our Title IV-C grant under the Job Training Partnership Act.

I mentioned earlier the need for the President to call on the business community to respond to the vital needs of veterans. We also believe it is essential for the President and the Administration to publicly commit themselves to providing full funding at the authorized level following enactment of the legislation. Similarly, the funding of the various elements of the veterans employment and training system must be considered. What I am referring to is the need for the Administration to commit to seek full funding of the DVOP/LVER program at \$83 million and \$89

million respectively, full funding of the National Veterans Training Institute (NVTI) at \$4.6 million, full funding of the Transition Assistance Program (TAP) at the \$9 million authorized with at least \$5 million being transferred to states like Texas, California, North Carolina, South Carolina, and others with the heaviest burden of the TAP workload.

Lastly, on this question of resources, I must address the question of the need for administrative funds. In the SESAs, we can make this program work if we have the resources. The field staff can do their part, but what we need is funding for administrative staff to process the actual certifications and do the mechanics of this program. I would suggest that 5% (even if it actually reaches the SESAs doing the work) may prove to be inadequate. A level of 7% or higher might be more in order. We need to be frugal, but we also need the wherewithal to make the program work.

We strongly favor linkages with apprenticeship programs, and believe that this legislation as now written would have a strong, positive effect on apprenticeship in New York. This will greatly benefit many younger, recently separated veterans. To the extent possible, employers who receive training reimbursement should be strongly encouraged to establish an apprenticeship program. This ensures proper training and credentials of veterans who receive training. It also ensures that the occupation in which the veteran is being trained meets the Senate's intent of being a decent job with potential for the future.

The provision of up to \$1,500 for work-related expenses, including clothing, tools, car or bus fare, and the provision of child care is a particularly important part of this bill. This will make it possible for many more men and women to participate in training programs, especially single parents.

An essential part of this legislation is the provision of good case management services to participants. The State Employment Security Agencies' staff is best prepared to deliver these services, if the U.S. DOL would issue a firm definition of case management and offer a course of training at the National Veterans Training Institute (NVTI). In New York and California, we have moved ahead and defined it for ourselves, in communication with our state representatives from the U.S. DOL Division of Veterans Employment & Training, and trained our staff in a procedure that works. The Committee has been provided with copies of materials that describe what we are successfully implementing now. The key to this provision is a close working relationship with other agencies, particularly the U.S. Department of Veterans Affairs.

I am pleased to be able to strongly support Section 16, which calls for \$5 million to be directed to programs that provide employment and training assistance to homeless veterans. This is a significant problem in New York State, particularly in New York City. Frankly, it is even difficult to produce reliable numbers on the magnitude of the problem. We are doing regular outreach into most shelters, and work closely with many service providers such as the Black Veterans for Social Justice in Brooklyn, N.Y., and the Salvation Army's Borden Avenue Residence in Queens, which serves over 400 veterans. The Borden Avenue facility receives funding directly from the Homeless Veterans Readjustment Program (HVRP), as well as from other sources. The Black Veterans for Social Justice receive Department of Social Services funds and we are working with them toward the possibility of a Job Training Partnership grant. These are but two examples of the type of organizations in our State that we believe could make good use of the proposed \$5 million set aside in S. 2515.

As to S. 2647, we are very much in favor of changing the formula for the number and allocation of Disabled Veterans Outreach Program specialists, and of doing so in the current Congress (well before the sunset date in 1994).

The formula in S. 2647 would result in a relatively stable number of authorized positions, and would reflect the changing character of the veterans population that needs the assistance of DVOPs, both in New York and nationally.

I thank you once again for the sensitivity you have shown to this growing problem. I will be available to answer any questions you may have.

PREPARED STATEMENT OF BOB MANHAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Committee, thank you for inviting the Veterans of Foreign Wars of the United States (VFW) to participate in this hearing. Our 2.2 million members, who represent some 10,900 VFW posts worldwide, have a very

keen interest regarding all efforts to assist active duty personnel and veterans to achieve the best life style possible.

The hearing this morning deals with two bills. The VFW supports the overall thrust of S. 2515, the "Veterans' Employment and Training Act of 1992." Bill S. 2647, the "Veterans' Readjustment Benefits Improvement Act of 1992" is an extremely well crafted but complex effort to achieve many goals that work to the advantage of active duty personnel, veterans, and in some cases, their dependents and spouses.

The VFW agrees with 14 of the proposed sections in bill S. 2647. We also offer modifications to sections 102, 103, 104, 106, and 115. Last, we disagree with implementing only section 107 that would repeal the advance-payment to veterans who participate in the work-study program. Overall, the VFW does support S. 2647.

The following is our section-by-section evaluation of each bill:

S. 2515: "VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992"

This bill was introduced by Senator DeConcini last month and is designed to establish a five year employment and training program with specific dollars authorized for fiscal years (FY) 1993 through 1997. It is a significant improvement over the 1983 Emergency Veterans Job Training Act which the VFW had historically supported.

Today, the VFW has a strong interest in backing any bill that will reinstate and provide recurring funds for a veterans' job training act that will establish job training and job placement programs and services for eligible veterans. In fact, this is the overall thrust of VFW Resolution No. 652, a copy of which is attached to this statement.

The two attractions of this bill are first, it is designed to give Department of Labor (DOL) primary operational responsibility, and second is the average five year authorization of \$105 million.

The primary VFW criticism deals with the proposal to authorize up to \$5 million each year to establish a pilot program of employment services, including counseling and other assistance to homeless veterans. We believe this money can be much more effectively spent putting mainstream veterans through this training program.

In our judgment, given the multiple reasons for homelessness among veterans, which includes incidence of serious mental illnesses and such physical health problems as AIDS, alcoholism, substance abuse, tuberculosis, and hypertension, it strongly indicates that homeless veterans in general are not going to respond to another set of counselors and administrators in any meaningful manner, regardless of the counselor's special expertise or experience in the area of employment assistance to non-veteran homeless individuals. The VFW has strongly supported other legislative efforts to specially assist the homeless veteran in all manner of programs to the point where his remaining primary problem becomes one of poverty or being out of work. In these instances we believe the homeless category of veterans can take full advantage of the routine job counseling and training placement outlined in S. 2515 without requiring a parallel, special program to accomplish the same end; i.e., training placement for a job.

The following is an outline of the VFW's understanding of the bill.

Section 1. Short Title: Veterans' Employment and Training Act of 1992.

Section 2. Purpose: To provide incentives to employers (emphasis added) to hire and train veterans in needed job positions.

Section 3. Definitions: The principals of Secretary of Veterans Affairs (VA), Secretary of Labor (DOL), Armed Services and veteran are cited.

Section 4. Authority To Carry Out Programs: Provides that VA and DOL shall assist eligible veterans to obtain employment in permanent and stable positions requiring significant (emphasis added) training.

Section 5. Veteran Eligibility To Participate: Any veteran who is unemployed at the time he submits an application and had been unemployed for at least 10 weeks prior to entering training or a veteran who separated from the Armed Forces within 10 weeks of starting this program.

The VFW believes the eligibility requirement which states that an applicant must be unemployed for 10 weeks immediately preceding the date of application should be modified. For the veteran who is married or head of household, it is conceivable that such a person would take work of a temporary nature (4 or 6 weeks perhaps) in order to meet the basic needs of his family. We think it would be counter-productive and contrary to the intent of the program to exclude such a person from consideration for participation in job training.

Many temporary jobs do not offer any kind of benefits such as health insurance, annual leave, or a real prospect for conversion to full-time permanent status. Persons who hold such positions tend to view them for what they are, temporary jobs that allow them to meet some of the economic requirements for their family until more substantive employment can be found.

Thus, we recommend that language be submitted that would ensure that persons who are unemployed but who have held intermittent employment of a temporary nature over the preceding 10 weeks will not be penalized under the application process.

The VFW is aware that under the previous VJTA program effort, approval of an applicant for training sometimes took as long as several weeks to process. In order to eliminate this from happening again, we recommend language be added that a period of 3 weeks be used from the time the veteran's application for job training is submitted to the time DOL either approves or rejects the job training request.

Section 6. Employers Job Training Programs: DOL will determine which employers to accept with consideration given to those who will retain the veteran in the position for which the veteran was trained.

Section 7. Approval Of Employer Job Training Programs: DOL is the exclusive federal agency to both approve and/or disapprove each job training program established by an employer.

Section 8. Payments of Training Assistance Or Other Assistance To Employers: VA is responsible to pay training assistance to employers in an amount not to exceed \$5,000 per year, per veteran. In addition, employers may receive up to \$3,000 for modifications to accommodate disabled veterans.

Section 9. Training Benefits For Veterans: Again, VA is responsible to pay participating veterans up to \$1,500 for work-related expenses. This could include special clothing, tools, transportation, and child care costs.

Section 10. Prohibition On Commencement Of Job Training Programs: VA may deny a veteran access to training if there is no money available to pay for the program.

Section 11. Investigation And Monitoring Of Programs: This is an exclusive DOL requirement.

Section 12. Coordination With Other Job Training Assistance Programs: Requires both VA and DOL to assure that neither the employer nor the veteran receive money under this program if they are receiving payments in the form of tax credits, training assistance, or training benefits under another federally funded training assistance program or if a veteran had previously completed a program under this Act.

Section 13. Counseling And Case Management Services: Both VA and DOL may provide the veteran with employment counseling and employment guidance assistance to enter a program. DOL is responsible to provide the case management services for certain veterans.

Section 14. Information And Outreach Services: Both VA and DOL will coordinate public information and outreach programs to inform veterans and potential employers of this Act.

Section 15. Additional Assistance And Resources: DOL is to execute its portions of this Act through its Director for Veterans' Employment and Training Services (VETS), and request assistance from the Small Business Administration, as well as to use existing resources available to assist service-connected disabled veterans and veterans recently separated from the Armed Forces under a part of the Job Training Partnership Act.

Section 16. Pilot Program Of Employment Services For Homeless Veterans: A maximum of \$5 million is set aside each year for grants to private nonprofit agencies that have special expertise in providing employment assistance to homeless individuals.

Section 17. Program Assessment: There is a quarterly review requirement to be done by DOL. On an annual basis both DOL and VA will jointly review their previous years' work with a view to making necessary adjustments.

Section 18. Reports: DOL must report within 3 months of the effective date of this Act on how it is to be executed and to estimate the administrative costs for carrying it out.

Section 19. Termination of Program: No monies can be paid to either a veteran or an employer for any program that cannot be completed by September 30, 1997, the end of FY 1997.

Section 20. Authorization And Appropriations: This requires the 102nd Congress to authorize the following new money:

\$75 million in FY 1993; \$100 million in FY 1994; \$125 million in FY 1995; \$125 million in FY 1996; and \$100 million in FY 1997.

S. 2647: "VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992"

This bill was introduced by Senator Cranston, the Chairman of today's hearing, on April 30, 1992. The overall thrust of this proposed piece of legislation is to revise and improve educational assistance programs for veterans and active duty military personnel; to improve selected pension and vocational assistance programs for disabled veterans; and to expand the job counseling, training, and placement service for veterans.

The VFW's section-by-section analysis is as follows:

TITLE I—EDUCATIONAL ASSISTANCE PROGRAMS

Section 101. Increase In Amount Of Basic Educational Assistance: We concur with proposal to increase the MGIB basic monthly benefit for active duty servicemembers from \$350 to \$450 and the basic monthly benefit for reservists from \$170 to \$200 with proportional increases for part-time study in both cases. These proposed rates are certainly much more in alignment with today's real cost of education.

Section 102. Authority Of Members Of Selected Reserves To Pursue Graduate Courses Of Education: We certainly support the pursuit of an advanced degree, provided the student will remain a member of the Selected Reserve for a period of not less than six years after successful completion of the advanced degree.

Section 103. Authority Of Members Of Selected Reserve To Receive Tutorial Assistance: In those instances where assistance is afforded for a post-secondary course of education, the VFW would add the same six year requirement we cited for Section 102, above.

Section 104. Treatment Of Certain Active Duty Service Toward Eligibility For Educational Assistance: The VFW certainly supports the proposal that active duty personnel who are discharged after less than 12 months of active duty and who later reenlist or return to active duty by some other means; i.e., call up of reserve unit, be allowed to participate in the MGIB. Your proposal to have any reduction in basic pay during a prior period of service would be counted toward the \$1,200 pay reduction presently required for MGIB eligibility.

While these suggested changes are very fair, the VFW strongly believes it would be both proper and equitable to have the government fully refund any/all MGIB monies any active duty person put into this educational program if he were separated for any reason before completing a first enlistment, regardless of the characterization of discharge.

Section 105. Educational Assistance For Active Duty Members Pursuing Program Of Education On More Than Half-Time Basis: The VFW interprets this section to mean that active duty participants in the MGIB who are pursuing an educational program would be paid at the full contract rates as a veteran. At the present time, the active duty member is paid only tuition and fees. This appears inequitable when we recall that all paid the same amount of money per month into MGIB.

Section 106. Educational Assistance For Certain Persons Whose Initial Period Of Obligated Service Was Less Than Three Years: The VFW believes it is both proper and equitable to establish an identical level of MGIB benefits for personnel who serve between 3 and 36 months on active duty. We believe this time frame further expands on the VFW modification in Section 104 of this bill.

Section 107. Repeal Of Advance Payment Of Work-Study Allowance: The VFW does not support this proposal to eliminate the present requirement to pay those veterans an advance of 40 percent of their work-study allowance. We strongly believe those few advanced dollars often make a very big difference if received early in the academic semester to the quality of life enjoyed by those participating veterans. Further, the VFW believes this is a very small overpayment problem when dealing with these highly motivated veterans.

Section 108. Revision Of Requirements Relating To Approval Of Accredited Courses: The VFW concurs in the proposal to eliminate the requirement for elementary and secondary schools to provide a copy of their academic catalogs when applying for accreditation by a State approving agency (SAA), as well as the requirement to enforce standards of attendance wherever necessary.

Section 109. Bar Of Assistance For Persons Whose Education Is Paid For As Federal Employee Training: The VFW is not certain what the thrust of this proposal will do. However, we do not want to further limit a veteran's educational entitlement.

Section 110. Treatment Of Advance Payments Of Certain Assistance To Veterans Who Die: The VFW supports this proposal to terminate an advanced educational assistance payment effective the last date of the period for which this payment was made, in those cases where the veteran payee has died. This has the advantage of eliminating a possible government claim for an overpayment refund.

Section 111. Clarification Of Permitted Changes in Programs Of Education: This action would allow a student veteran who had completed one program of education with VA benefits to either pursue another program of education and/or allow a change in the type of training, provided his vocational objective remains constant. The VFW certainly supports this more realistic and flexible concept.

Section 112. Disapproval Of Non-accredited independent Study: The VFW supports this proposal and believes that the overall thrust is consistent with the five actions proposed in the following section.

Section 113. Revisions in Measurement Of Courses: The VFW believes the five specific actions offered in this proposal are reasonable efforts to improve by standardizing the overall administration of several educational benefits. The key points are to:

- eliminate the different benefit payments for independent study and other nontraditional types of training in approved undergraduate degree programs;
- eliminate the standard class-session requirement;
- make payments for concurrent pursuit of graduate and undergraduate training on the school's certification of training time used;
- make payments to colleges and universities based on the respective institution's measurement system; and,
- eliminate the benefit difference paid for accredited vs nonaccredited non-college degree course.

Section 114. Refresher Training For Survivors And Dependents: The VFW strongly supports this proposal to allow up to six months of VA educational assistance to be used for refresher training to permit eligible family members of deceased service-connected veterans or totally disabled veterans to update their knowledge and skills and thereby become more competitive for the workforce.

Section 115. Eligibility Of Certain Officers For Educational Assistance: The VFW does not support this proposal to allow newly commissioned officers to receive further federal monies for educational assistance until the officer has served on active duty for an initial two or three years of service. This suggestion is consistent with the VFW's comments in sections 102 and 103 of this bill.

TITLE II—VOCATIONAL REHABILITATION AND PENSION PROGRAMS

Section 201. Permanent Programs Of Vocational Rehabilitation For Certain Veterans: The VFW supports the proposal to make permanent the program of 12-month trial work periods and vocational rehabilitation outreach for veterans who have a total disability rating based on individual unemployability.

We support the concept to make permanent and totally voluntary the program of vocational evaluation and training for pension recipients and the 3-year protection of VA health care eligibility for veterans who lose their pensions due to employment income.

The VFW concurs with a 10 percent subsistence allowance for veterans with service-connected disabilities who participate in a training and vocational rehabilitation program. We also agree that vocational rehabilitation should be restored for veterans rated 10-percent disabled by the VA but who have a serious employment handicap as result of their service-connected disability.

The VFW supports the effort to view a new application for pension or for parents' dependency and indemnity compensation (DIC) that is filed within 1 year after renouncement of that benefit, not as an original application. This has the distinct advantage of having the payee receive the entitlement as if the renouncement had not occurred in the first place.

Last, but very important is the proposal to expand the formula for the appointment of disabled veterans' outreach program specialists (DVOPs) to include the Vietnam era veterans, but also veterans who first entered on active duty after the end of the Vietnam era, and disabled veterans. The VFW strongly supports this very worthwhile effort.

This concludes our statement. I shall respond to any questions the committee may have. Thank you, Mr. Chairman.

RESOLUTION No. 652

SUPPORT LEGISLATION TO PROVIDE FOR A PERMANENT VETERANS JOB TRAINING ACT PROGRAM

WHEREAS, the nation has long recognized that employment and employment training are one of the principal readjustment needs of veterans; and

WHEREAS, unlike other readjustment problems, such as education, housing and health care, Congress has created no long-term initiative to address the employment training needs of veterans; and

WHEREAS, many veterans are experiencing structural unemployment and under-employment problems, with the Department of Labor reporting that one-quarter of displaced workers are veterans; and

WHEREAS, no veterans employment/training program created in the last generation has been of sufficient longevity to gain the confidence of the employer community in the private sector; and

WHEREAS, Congress enacted the two-year Emergency Veterans Training Act in 1982 and extended it in 1985 for an additional year as the Veterans Job Training Act; and

WHEREAS, as the opportunity for veterans to enter a training program under VJTA expired by the terms of that law on March 31, 1990; and

WHEREAS, employers have found this program very useful for offsetting the cost of training veterans; and

WHEREAS, the Veterans Job Training Act has placed over 40,000 veterans, but hundreds of thousands of other veterans who applied for participation have yet to be placed; now, therefore

BE IT RESOLVED, by the 92nd National Convention of the Veterans of Foreign Wars of the United States, that we support legislation to reinstate and provide recurring funds for VJTA to sustain training and job placement programs and services for eligible veterans.

Adopted by the 92nd National Convention of the Veterans of Foreign Wars of the United States, held in New Orleans, Louisiana, August 16-23, 1991.

PREPARED STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. Chairman and Members of the Committee, on behalf of the more than 1.4 million members of the Disabled American Veterans and its Ladies' Auxiliary, I want to thank you for your ongoing support of employment and training programs for our nation's veterans. The introduction of S. 2515 and S. 2647 and the rapid scheduling of this hearing shows to the American public that this Committee is concerned about the future and what it holds for our most recent veterans.

Mr. Chairman, it has been documented that even during the best of times, the transition from military occupations to civilian occupations can be traumatic. On March 19, 1992, we provided testimony to the House Veterans' Affairs Committee, Subcommittee on Education, Training and Employment, regarding problems faced by transitioning military personnel. As part of that testimony, we outlined some of the problems experienced by veterans in the past. A summary of those problems follow.

Veterans' unemployment rates will exceed their nonveteran counterparts for up to ten years following discharge.

Military training has limited transferability to civilian occupations.

Transitioning military personnel will suffer a significant drop in earnings below their civilian counterparts.

Disabled, younger, combat and minority veterans unemployment rates will exceed the already disproportionately high unemployment rates of recently discharged veterans.

Veterans do not statistically reach occupational parity with their nonveteran counterparts until about age 45 (on the average, over 20 years after their discharge from the military) and will trail them in lifetime earnings the rest of their lives.

Historically, veterans have disproportionately entered blue collar or skilled labor jobs which required little prior education or training and provided a transferable job skill at middle income rates of pay. Through the end of the twentieth century such jobs are expected to diminish in number while lower paying service industry jobs are expected to grow rapidly. There will also be a

growth in higher paying jobs but it is projected that post-secondary education or extensive training for those occupations will probably be necessary.

It is important, therefore, to start now to attempt to minimize transitioning problems for today's military.

Mr. Chairman, we recommend that in some cases it would be beneficial to initiate training six months prior to discharge. Admittedly, not everyone needs that much time. However, those who appear to be most vulnerable to long periods of unemployment following discharge, should start preparing as soon as possible, e.g., those with combat arms training.

This training could be provided in one of two ways or a combination of both. If it is established through counseling by the Department of Veterans Affairs (VA) that an individual would benefit from early enrollment, an Individual Employment Assistance Plan (IEAP) should be prepared. The individual could then enroll in academic training either through a college or community college using any existing GI Bill entitlement. If there is no GI Bill entitlement, monies authorized under S. 2515 could be used.

The other component could be actual employer training provided to the individual if all other requirements of S. 2515 are met. There would be some exceptions in that some individuals would not be readily available to participate in on-the-job training. Many of the individuals determined eligible and in need of academic training could enter full-time or part-time training in cooperation and consultation with the appropriate military branch. This would minimize the individual's absence from his or her regular duty station. We believe this approach would maximize and complement the assistance available under the Transition Assistance Program/Disabled Transition Assistance Program (TAP/DTAP).

Mr. Chairman, there has been some discussion over the respective roles of the VA and Department of Labor (DOL). We believe the previous Veterans' Job Training Act (VJTA) worked relatively well. While it was not totally problem free, VA and DOL worked closely to minimize any delays in processing applications and payments. We therefore believe that the same setup should be incorporated into any new program.

Mr. Chairman, we also recommend and urge you to amend S. 2515 to ensure a priority is given to disabled veterans and that all disabled veterans, regardless of period of military service, be allowed to participate in the program if they meet all other criteria.

It is well documented that disabled veterans continue to experience employment problems far in excess of their nondisabled counterparts. Additionally, high percentages of severely disabled veterans have dropped out of the labor force and have given up looking for employment. A program such as this may be the cornerstone of their return to productive taxpaying citizens.

Section 6 of S. 2515, in part, defines eligible employers as an employer who "... intends to provide such training in the field of employment providing the reasonable probability of stable, long-term employment." We support that provision. In Section 6(c)(6) the employer is "if practicable, to employ the veteran in that position upon the veteran's completion of the program." We believe, Mr. Chairman, that section should be amended to read as follows: delete after (6) "if practicable" and insert in lieu thereof, "unless determined by the Secretary of Labor to be impracticable."

We also recommend that employer eligibility be limited to those who have been in business at least two years under the same name and ownership and are solvent.

DAV supports Section 6(c)(5) which requires the employer to provide the veteran "... with compensation and other benefits that are similar to the compensation and other benefits provided by the employer to nonveteran employees during such training. We also support the provisions of Section 6(d), (e) and (f).

Section 8 of S. 2515 outlines the payment process and formula for employers. Section (b)(2) limits the maximum amount of payment to an employer in any one year to \$5,000. Because the formula allows for a payment amount equal to approximately 50 percent of the starting wage, there is a built-in disincentive for the employer to provide job training in jobs paying more than \$10,000 a year. Perhaps a better approach is to provide a declining payment to the employer based on similar on-the-job training programs authorized under Chapter 31, Title 38, U.S. Code. The following example illustrates this concept:

A training program of 24 months is approved.

Reimbursement is as follows:

First 6 months—50 percent

Second 6 months—35 percent

Third 6 months—25 percent

Fourth 6 months—10 percent

The total reimbursement could not exceed \$12,000.

Section 7 should allow an employer with multiple employment/training sites in different parts of the country to submit a single program for each occupation regardless of the location of the training.

Mr. Chairman, we are pleased to see Section 8(f) providing for the "Payment of Assistance to Accommodate Disabled Veterans." As I mentioned earlier, many disabled veterans have ceased looking for employment. We believe one of the reasons this has occurred has been the inability or unwillingness of an employer to provide accommodations to a disabled veteran's disability. Section (f) authorizes what we believe is essential to providing meaningful employment opportunities for disabled veterans by offering this incentive. We believe this provision should be added to S. 2647.

While it could be argued that federal contractors under Section 4212, Title 38, U.S. Code, are required by regulations to provide reasonable accommodations to a disabled veteran's disabilities and the Americans with Disabilities Act employment provisions (effective July 26, 1992) require employers of 25 or more employees to provide reasonable accommodations to an applicant's or worker's disability, this incentive in Section 8(f) provides the employer financial help to defray costs associated with that requirement. It needs to be pointed out, Mr. Chairman, that some small employers who incur costs associated with an accommodation can take a tax credit under the Disabled Access Credit authorized by Public Law 101-508.

Section 12 of S. 2515 prohibits the concurrent benefit of certain tax credits or allowances but is silent with respect to the Disabled Access Credit. In concert with those other exceptions, you may want to amend Section 12.

We believe Section (f) should also be amended to specify the authority to provide accommodation in the form of a reader for visually impaired employees and an interpreter for the hearing impaired.

Subsection (f) allows the Secretary of Labor to "... approve the cost of a modification of facilities or equipment ... only if the Secretary of Labor determines that the cost of the modification is reasonable." (Lines 17 through 20, page 19)

Mr. Chairman, we are not sure the Secretary of Labor has the requisite ability to determine the reasonableness of such modifications. Accordingly, we suggest the Secretary of Labor consult with the federal Architectural and Transportation Barriers Compliance Board who has experience in costs associated with facility modifications. It should also be determined if the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor has any information or cost factors associated with any past enforcement of Section 4212, Title 38, U.S. Code, or Section 503 of the Rehabilitation Act, as amended.

We support the provisions contained in Section 9 of S. 2515 allowing the VA to pay training benefits to help defray the cost of work-related expenses. All too often, we have seen in the past where the only thing obstructing the veteran from obtaining employment was the inability to obtain work-related equipment such as tools or the inability to obtain necessary transportation. It is also well documented that, in the case of single parents, child care is a major obstacle to meaningful employment. We believe the definition of "work-related expenses" will help to overcome some of those obstacles.

Mr. Chairman, I previously suggested an amendment to Section 12. I would like to offer another change. Current language prohibits an employer from being paid training assistance if "During that period, the employer is allowed a tax credit or is paid an allowance for that veteran under any of the following provisions of law" Mr. Chairman, we believe the employer should be given the option to obtain either the training assistance or the allowance or tax credit available under the provisions of law identified in Section 12 whichever would be most beneficial to the employer. We support the prohibition of receiving the dual benefit.

We also support the counseling and case management services provided by Section 13 of S. 2515. The only suggested change, Mr. Chairman, would be to provide assistance to employers if requested. We also support the contracting with appropriate entities or individuals for counseling guidance, case management or other services.

In reviewing Section 14 "Information and Outreach Services" and Section 15 "Additional Assistance and Resources," we believe it is important to point out the need to work closely with the Small Business Administration (SBA).

Attached to our statement are two articles which appeared in the February 1992 issue of the Small Business Advocate published by the Office of Advocacy at SBA.

These articles reveal to us, Mr. Chairman, the opportunity for SBA to cooperate with VA and DOL to provide meaningful employment opportunities for our nation's

veterans. Specific industries can be targeted rather than employers in general based on what appears to be comprehensive information on employment trends.

Mr. Chairman, much has been said lately about the problem of homeless veterans. While hopelessness may be attributed to many problems, the final barrier to obtaining adequate shelter is employment. Even if we address and solve all other problems, if the veteran does not have employment, he or she cannot even afford the most affordable housing. We therefore support and endorse your pilot program of employment services for homeless veterans contained in Section 16 of S. 2515.

Mr. Chairman, the Secretary of Labor is required to submit reports containing certain information about the success of the program. We believe the reports should contain data on the number of veterans, by category, who applied for assistance, were approved and enrolled as well as completed. The Secretary of Labor should also capture data on the numbers and types of employers and occupations authorized in this program.

Mr. Chairman, that concludes our comments on S. 2515 and again, we commend you for your foresight as well as that of Senators DeConcini, Graham, Akaka and Daschle. These individuals, as well as you, Mr. Chairman, are well recognized for your outstanding leadership and dedication to our nation's veterans.

Mr. Chairman, I would like now to turn to S. 2647 introduced by yourself, Senator DeConcini and Senator Akaka on April 30, 1992. While the DAV has no official position on many of the provisions of S. 2647, on the whole, we believe it to be a very good piece of legislation and have no opposition to its enactment.

There are certain provisions which we support very strongly and offer comments as follows.

Section 114 would provide "refresher training" for certain survivors and dependents under Section 3532 of Title 38, U.S. Code.

We believe this is a very important change because many survivors and dependents may have been out of the work force or entering the work force late in life. Accordingly, many of these individuals could benefit immensely from training to update their knowledge and skills.

Mr. Chairman, Section 201, among other things, makes permanent the trial work period and vocational rehabilitation for those veterans who do not have a total disability rating but have been awarded such a rating on the basis of his or her inability to secure or follow a substantially gainful occupation. This is commonly referred to as "individual unemployability." We support the provision to make this permanent.

It is extremely important to allow these disabled veterans an opportunity to see if they are able to pursue substantial gainful employment before benefits are reduced. All too often, individuals will not attempt employment for fear of losing their benefits and, therefore, may unnecessarily be retained on 100 percent rating. The taking away of this work disincentive has the potential of encouraging these individuals to go out and obtain employment.

Section 202 makes permanent a program of vocational training for certain pension recipients and makes participation in this program voluntary rather than mandatory as was the case during the pilot project. Mr. Chairman, the DAV must oppose this provision because it has a negative impact on vocational rehabilitation services to service-connected disabled veterans. In the event the VA were to receive additional resources and appropriations to deal with the increased workload, we would not object. However, we have seen a steady decline in the timeliness of vocational rehabilitation and counseling services to the service-connected disabled veteran. These individuals are the most deserving. Data available to us indicate that only approximately 1 percent of those initially evaluated actually return to work. We believe this program is not cost effective.

Section 203 allows pension recipients who lose eligibility because of income from work to continue to be eligible for medical care for three years following such termination. Like the twelve month trial work period, we believe this to be an excellent incentive for those individuals receiving pension to return to work. All too often the unavailability or high cost of private medical care acts as a deterrent for disabled people to return to work. This is not unique to the disabled veteran population but is prevalent among social security disability insurance beneficiaries also.

Section 204 provides a 10 percent increase in the subsistence allowance for disabled veterans enrolled in a vocational rehabilitation program. We support this provision in order for these individuals to try and maintain at least a decent standard of subsistence while pursuing their training.

Mr. Chairman, Section 205 largely satisfies Resolution No. 049 (copy attached), unanimously adopted by our most recently concluded National Convention, July 28-August 1, 1991, by restoring eligibility for vocational rehabilitation to those disabled

veterans who have a compensable disability of 10 percent and have a serious employment handicap.

The difference between Section 205 and Resolution No. 049 is our resolution calls for the reinstatement of eligibility "to all service-connected disabled veterans rated at 10 percent disabled." Mr. Chairman, it is possible under your provision for a 10 percent disabled Persian Gulf War veteran who has little or no eligibility under the Montgomery GI Bill to obtain less training than a veteran who did not become disabled while serving on active military duty. We believe this to be an inequity and, therefore, urge you to restore this eligibility to all service-connected disabled veterans rated at 10 percent or higher.

As previously indicated, we recommend Section 8(f) of S. 2515 dealing with "Payment of Assistance to Accommodate Disabled Veterans" be added to S. 2647.

Mr. Chairman, we commend you for the changes suggested by Section 301 and 302 of S. 2647 which changes the formula for Disabled Veterans' Outreach Program (DVOP) specialists and repeals the current delimiting date of Vietnam era veterans for purposes of employment and training.

We wish to thank you for this much needed change and are pleased to support you in this effort.

Mr. Chairman, I am the chairman of the VA's Veterans' Advisory Committee on Rehabilitation (VACOR). That Committee has been very active over the last several years and has made several recommendations that coincide with some of the provisions in S. 2647. The following represent some of these recommendations including those which I suggest be incorporated into S. 2647 to further enhance vocational rehabilitation for disabled veterans:

VR&C staff, especially Vocational Rehabilitation Specialists should be included in the training being conducted by the National Veterans' Training Institute.

Employment disincentives which discourage veterans from participating in vocational rehabilitation be eliminated.

The Committee recommends that case loads for VA Vocational Rehabilitation Case Managers be reduced. These case loads need to be pared down to a more manageable size through hiring more FTEE. The current workload average for each case manager is approximately 260 but the goal is to reduce it to 125.

The Committee strongly recommends that veterans rated 10 percent for a service-connected disability be eligible for vocational rehabilitation services if they can demonstrate a serious employment handicap.

The Committee recommends that urgent attention be given to the proposed qualification standards put forth by the Vocational Rehabilitation Service for its Counseling Psychologists and Vocational Rehabilitation Counselor positions. The Committee has studied this issue thoroughly and is appalled at the lack of standards currently in place for these positions. The Committee feels very strongly that the VA needs to invoke their authority to set their own standards for these positions.

The Committee recommends that priority be given to disabled Persian Gulf War veterans regarding the provision of VA services. In addition, the Committee recommends that a case management model/process be used to coordinate all needed services for these veterans.

Mr. Chairman, that concludes my prepared statement and I will be happy to answer any questions.

[FROM THE SMALL BUSINESS ADVOCATE, FEBRUARY 1992]

SMALL FIRMS HELPED TO STABILIZE ECONOMY IN 1991; SERVICE SECTOR LED NATION IN EMPLOYMENT

The service sector led the country in employment increases during 1991. When comparing data from the Bureau of Labor Statistics for September 1991 with September 1990 data, employment in the services sector increased 1.8 percent (497,000 jobs). All of the other major nine industrial sectors saw decreases in employment during this period. Total employment for all industries declined 1.2 percent (1.2 million jobs).

Comparing small and large firms to the extent possible finds that the service sector in small-business-dominated industries and large-business-dominated industries increased by 1.7 percent (537,000 jobs) and 1.8 percent (87,000 jobs), respectively, while the so-called "indeterminate industries—those dominated by neither small nor large firms—showed an employment decrease during this time period.

For both small- and large-business-dominated industries, the service sector is the only sector to show significant increases in employment between September 1990 and September 1991. For example, within the service sector in small-business-dominated industries, both outpatient care facilities and residential care industries had employment growth of more than 10 percent, posting increases of 12.7 percent (38,000 jobs) and 10.9 percent (52,000 jobs) respectively. Other industries within the service sector that demonstrated large employment increases were social services (7.7 percent, 140,000 jobs), nursing and personal care facilities (6.7 percent, 96,000 jobs) and computer and data processing services (6.8 percent, 54,000 jobs).

These significant expansions in the service sector emphasize the key role that small firms play in stabilizing the economy during periods of economic downturn: job losses come primarily from industries dominated by larger firms, while small firms, particularly in services, continue expanding and creating jobs, mitigating the effect of job losses on the economy.

All other major industrial sectors for both small- and large-business-dominated industries showed decreases in employment during this period. However, certain industries within each of these sectors recorded some employment growth, including retail stores (2 percent), retail bakeries (2 percent), school bus transportation (6 percent), and beer and wine wholesalers (2.0 percent).

The employment decrease in small-business-dominated industries for all industries was very small (-0.6 percent), especially when compared with the decrease in total employment for large-business-dominated industries (-1.3 percent) and all industries (-1.2 percent). These data seem to confirm other evidence that small businesses are better able to weather economic downturns than large businesses.

EMPLOYMENT UPS . . .

*Small Business Industries with the Biggest Percentage Increases in Employment,
September 1990 to September 1991*

	Percent
Outpatient Care Facilities.....	12.7
Residential Care Facilities.....	10.9
Medical Laboratories.....	8.9
Mailing and Reproduction Services.....	8.5
Photographic Portrait Studios.....	8.4
Computer and Data Processing Services.....	6.8
Nursing and Personal Care Facilities.....	6.7
Credit Reporting and Collection Services.....	6.1
School Bus Manufacturing.....	5.9
Individual and Family Social Services.....	5.6

Source: U.S. Small Business Administration, Office of Advocacy, adapted from data published by U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, (November 1990 and November 1991 issues), table B.2.

. . . AND DOWNS

*Small Business Industries with the Biggest Percentage Losses in Employment,
September 1990 to September 1991*

	Percent
Nonstore Retailers.....	-14.0
Operative Builders.....	-13.4
Nonresidential Construction.....	-11.1
Men's Clothing Stores.....	-11.0
Household Appliance Stores.....	-10.9
Building Contractors.....	-10.2
Masonry, Stonework, and Plumbing Contractors.....	-10.1
Apparel and Accessory Stores.....	-10.0
Carpentry and Flooring Contractors.....	-9.8
Railroad Equipment Manufacturing.....	-9.5

Source: U.S. Small Business Administration, Office of Advocacy, adapted from data published by U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, (November 1990 and November 1991 issues), table B.2.

CENSUS DATA SHOW GROWTH OF SMALLEST FIRMS

Newly available tabulations show that there was a net gain of 500,000 new businesses between 1982 and 1987 and that the very smallest firms were those most likely to increase the number of employees on their payrolls. These Bureau of the Census tabulations have been combined into a data base so that the business generation process can be studied.

According to the tabulations, between 1982 and 1987, the number of firms with employees increased from 4.36 million to 4.89 million, a gain of 12 percent. This net

increase of more than one-half million firms was the result of 2.39 million new firm births, less 1.85 million firm deaths.

Approximately 2.51 million firms had employment in both 1982 and 1987. Of that number, 23 percent reported no change in employment, 48 percent reported employment gains, and 30 percent experienced some job losses during the five-year period. The size of the firm was a significant determinant of the probability of employment growth or decline.

It is noteworthy that the smallest firms, those with fewer than five employees, were most likely to increase the number of employees on their payrolls. For firms with five or more employees, it was equally likely that they would employ more workers rather than fewer workers.

For firms with fewer than five employees, 33 percent reported no change in employment, 49 percent had some growth, and 18 percent declined. For firms with five or more employees in 1982, 9 percent were unchanged, 46 percent reported some growth, and 45 percent reported declines.

The pattern of employment change is similar for goods-producing industries and service-producing industries. The only exception to this pattern was in the largest employment size group, 500 or more employees; the largest goods-producing firms reported significantly more declines than gains; conversely, the service-producing industries reported more gains than losses.

In summary, the number of firms with five or more employees reporting losses was about equal to the number reporting gains. It is only in the very small size group, fewer than five employees, that gainers significantly exceed losers.

It is the hope of Advocacy's Office of Economic Research that these and other tabulations can be received on a regular basis from the Census Bureau. The data will be of great value to the office as it continues to study trends in small business growth, patterns in employment growth, and changes in small business share by industry.

RESOLUTION No. 049

SEEKING THE REINSTATEMENT OF VOCATIONAL REHABILITATION ENTITLEMENT TERMINATED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990

WHEREAS, Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, provides that only those veterans rated at 20 percent or more service-connected disabled are eligible to receive vocational rehabilitation assistance under Chapter 31 of Title, 38, USC; and

WHEREAS, this provision targets veterans rated at 10 percent disabled, the ones most easily rehabilitated; and

WHEREAS, this provision is contrary to public policy which not only encourages but in many instances requires vocational rehabilitation; and

WHEREAS, the denial of vocational rehabilitation is not cost effective, as it has been shown that increased earnings of vocationally rehabilitated veterans results in greatly increased tax revenues which will be lost; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, supports the enactment of legislation to reinstate vocational rehabilitation eligibility to all service-connected disabled veterans rated at 10 percent disabled.

PREPARED STATEMENT OF MICHAEL F. BRINCK, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Mr. Chairman, thank you for inviting AMVETS to testify today. I would like to begin with S. 2647, the Veterans' Readjustment Benefits Improvement Act of 1992.

AMVETS is convinced that adequate employment is the cornerstone upon which all other non-health related programs must be built. We feel that education and training are the key to finding and keeping a good-paying job. We also feel that an adequately employed population is the answer to many of today's social ills.

Just as there is a need to contain rising health costs, there is a need to contain rising education costs. Education costs at state schools have increased 70% since 1984, with no corresponding increase in GI Bill benefits. Since there has only recently been increases in minimum wage, the level at which many of the GI Bill participants are paid, the increase is absolutely necessary to ensure participation.

We wholeheartedly support increasing the basic benefit to \$450 for active duty members and \$200 for Reservists. AMVETS also strongly supports allowing reserv-

ists to become full participants in the Montgomery GI Bill (MGIB) by authorizing graduate training and tutorial assistance. We also support paying active duty participants at the same rate as veterans when attending school on a half-time or greater basis.

Since there will be many servicemembers released involuntarily, we feel that time served prior to involuntary release should be credited towards fulfillment of MGIB service requirements and it is totally appropriate that continuous active duty for 3 or more years should be awarded MGIB benefits at the 3 year service level regardless of initial obligation. We support that provision. AMVETS would also like to see the VA retain the authority to advance the initial payment for services for those in the work-study program.

Provisions that will simplify and streamline course accreditation, attendance and course measurement standards are welcomed. A veteran should have all the facts before embarking on a course of study and institutions should not be overburdened with extra overhead costs associated with enrolling veterans. We support those provisions.

AMVETS supports the draft's prohibition for concurrent receipt of MGIB benefits and Government Employees Training Act benefits, except if the costs of either program do not cover the basic costs of tuition and books. In such a case, the MGIB should be allowed to cover the difference, and the veteran charged only a pro-rata share of MGIB benefits used.

The death of a veteran should not create additional financial burdens on those left behind. The amount of money returned to the system could not justify the administrative cost of collection much less the added financial trauma to any survivors. Likewise, we applaud the provisions that allow refresher training for children of deceased veterans.

We would encourage the widest latitude on the part of the VA when interpreting vocational objectives and educational program changes, especially for disabled veterans. This is a time of rapid changes in the workplace, and veterans should have the ability to adjust their training to maximize their potential contribution to the workforce. Therefore, AMVETS supports the provisions liberalizing program changes and additions.

AMVETS recognizes the excellent financial benefits offered by the service academies and ROTC programs. But those programs are designed to attract the best and brightest into the officer corps and help guarantee the highest quality leadership in the services. MGIB rewards service rendered and should therefore be available to all those serving, regardless of commissioning source.

Our disabled veterans often experience additional impediments to becoming fully productive citizens, and we applaud the provisions that will increase the assistance to these vets.

AMVETS fully supports the provisions to recoup pension or parents' dependency and indemnity compensation within a year of renouncement. These provisions will ensure the ability to provide a basic level of support during unsettled family situations.

We understand that the formula being proposed by the draft would increase the total number of Disabled Veteran Outreach Program Specialist (DVOPs) to 1906. While we applaud the increase, as called for in our 1991 National Resolutions, AMVETS must note the DOL has not staffed all the currently authorized 1,885 positions. We suggest that the complicated formula for determining the local distribution of DVOPs may result in maldistribution of resources. We suggest that the 1,906 DVOPs be distributed at one per office with the remainder allocated according to workload requirements as determined by the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET). We also suggest that State directors be strongly encouraged to outstation as many DVOPs as possible. That will allow the DVOPs to have the personal interface with employers necessary to maximize employment opportunities for disabled veterans.

We suggest the following concepts be added to the draft:

1. The DoD should be required to counsel those being discharged from active duty about their benefits under the GI Bill. Such counseling should include a written statement of available benefits and signed by the veteran. Administrative errors on the part of the Department during counseling should not be grounds for denial of benefits.

2. Eliminate the December 31, 1989 benefit termination date for veterans entitled under Chapter 34 for those Vietnam veterans who served on active duty subsequent to that date. Change the termination date for such veterans to 10 years following date of discharge.

3. Define educationally disadvantaged as less than 14 years of education and provide assistance on a recurring basis for those qualifying as educationally disadvantaged or requiring vocational training.

4. Allow simultaneous enrollment in programs under the GI Bill, Veterans Job Training Act or Job Training Partnership Act to allow veterans to pursue both vocational skills and traditional academic degrees simultaneously.

Mr. Chairman, I would now like to shift to the Veterans' Employment and Training Act (VETA) of 1992.

AMVETS has a major disagreement with the proposed administration of the program. We strongly urge you to consolidate responsibility and funding for the program under the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET). The role of VA should be limited to advising DOL on the changes in the veteran population that would necessitate changes in the program. Splitting responsibility increases overhead costs, confuses lines of authority and responsibility and in the end decreases the effectiveness of the program.

To help administer the program and all other veterans employment programs, AMVETS National Resolutions urge you to authorize one Assistant Director for Veterans' Employment and Training for each 175,000 veterans in the state. We also urge you to add one program assistant for each Director, and one clerical position for every two Director/Assistant Director of Veterans' Employment and Training (DVET/ADVET) in the state. As stated above, we strongly urge you to fully fund all DVOP/LVER billets.

Another reason to place responsibility solely with the DOL, is to encourage the strongest possible link between the Transition Assistance/Disabled Transition Assistance Programs for the multitude of active duty members being released from active duty. We strongly urge you to fund TAP/DTAP at \$150 million as called for in our Resolution and recommend that all servicemembers separating from active duty be pre-enrolled in the Veterans Job Training Act program to ensure they do not fall through the crack upon separation.

We urge the Committee to revise the draft to allow participation of veterans who have been unemployed 5 of the last 10 weeks, since it is a fact of life that many vets as well as the population in general are but a paycheck or two away from foreclosure. Those veterans not eligible for unemployment should be enrolled immediately, regardless of the number of weeks unemployed.

We strongly suggest that the Secretary of Labor establish a waiting list in case it is necessary to limit the number of participants because of a lack of funds. This will allow a more efficient administration of the program and allow veterans to participate immediately when funds are available. We also suggest that any funds recaptured by the program through repayment, etc., be available to the program.

The Court of Veterans Appeals (COVA) has proven to be beneficial to the veteran community. Since VETA is a veterans' benefit, AMVETS feels it appropriate to include the administration and delivery of services within the jurisdiction of the COVA. Thus, any veteran would be able to appeal to the Court after a hearing before the Secretary of Labor in cases where certification was denied.

Sec. 6(c)(6) seems to contradict the intent of the program. The Requirements of Job Training Programs requires employers to agree "to identify a stable and permanent position of employment of the employer," but (6) specifies "if practical." We suggest that the wording be changed to reflect the desire to attract employers who will provide employment of a permanent nature after training. This will prevent unscrupulous employers from using the program as merely a source of subsidized temporary labor. If an employer is willing to provide training, especially in high skill jobs, but cannot offer permanent employment following training, the application for certification should state that limitation and a sound justification on why that employer should be certified.

Sec. 6(d) should also be modified to allow those veterans separated overseas to participate in the program if working for a U.S. firm.

Sec. 6(f) should be modified to allow disabled veterans to participate in the program by providing course length extensions in cases where the disability limits the speed at which the veteran can complete the course.

Sec. 6 should also include a section on employer rights under the program. This will be necessary to attract the broadest possible participation from employers. It also leaves no doubt as to the scope of employers' rights in disputes.

AMVETS disagrees with the amount of subsidy paid to employers on behalf of the veteran. We strongly suggest the formula be 50% of the product of the starting hourly wage (no overtime or bonuses included) and the number of hours worked (not less than 40 hours). Such an amount should not exceed \$12,000 per year. This increased amount will allow trainees to maintain a decent living standard while at-

tracting employers from traditionally high wage industries. The veteran should be notified of the amount paid to an employer on his behalf.

AMVETS enthusiastically supports the provisions in S. 2515 that would subsidize employers for expenses incurred in modifying facilities to train and employ disabled veterans. We also strongly endorse training benefits paid directly to veterans for expenses. Sec. 9(f) should be modified to authorize commuting expenses for other forms of transportation than just car or bus.

AMVETS objects to precluding jobs included in the Targeted Jobs Tax Credit (TJTC) program. Deletion of the incentive may very well decrease the number of permanent training/employment opportunities. In our National Resolutions, we call for extension of tax credits to employers who provide transportation for those with no appropriate public or private transportation.

Today's job market entails numerous job shifts. Gone are the days when an employee could reasonably expect to spend a career with one employer—the most striking example of which is the drawdown in DoD. Therefore, we strongly disagree with the limitation on participation if a veteran has completed training under the Veterans Job Training Act. Today, the average worker has six career changes during a work life. It is reasonable to expect some dislocation due to changes in technology and the program should take this into account. We ask you to allow enrollment regardless of prior training.

AMVETS feels that counseling and case management should be required, not optional. The DVOP is uniquely positioned to ensure the highest possible success rate for the program. We also suggest that support services and resources not be limited to those available under Title IV-C of the Job Training Partnership Act. The full range of services should be available and funding should be increased to \$60 million for Title IV-C to as called for in our National Resolution.

Since one third of all homeless men are veterans, we urge the Committee to make \$10 million available to DOL. These are people who have hit the absolute bottom of the barrel and need more funding.

Mr. Chairman, please don't mistake this list of suggestions for improvement to be a rejection of the draft. On the contrary, it is fine start and we applaud your initiative.

Thank you once again for the chance to speak. This concludes my statement.

PREPARED STATEMENT OF CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. Chairman and Members of the Committee, it is a pleasure and personal privilege to appear here, today, on behalf of Paralyzed Veterans of America (PVA). Thank you for inviting us to testify and present our views regarding certain needed changes and improvements in veterans' education, employment and training benefits. Since 1944, over 20 million men and women have trained under the various education programs administered by VA.

It has been estimated that these veterans will pay up to eight times the costs of their education in federal income taxes based on the added lifetime income their education made possible.

Mr. Chairman, PVA encourages you to engage in aggressive oversight of these programs and to continue to consider legislative initiatives such as those you are considering today. By so doing, you will ensure that the Nation's investment in the benefits being made available to our veterans and service personnel will remain strong.

S. 2647 "VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992"

Mr. Chairman, PVA supports this legislation which is intended to revise and improve educational assistance programs for veterans and members of the Armed Forces, improve certain pension and vocational assistance programs for veterans, and expand the job counseling, training, and placement service for veterans. This legislation also promotes and assists the all volunteer military of the United States by attracting qualified men and women to serve in the active duty Armed Forces and selected reserves.

TITLE I—EDUCATIONAL ASSISTANCE PROGRAMS

Section 101. Increase in amount of basic educational assistance.—PVA supports this initiative which would increase the Montgomery GI Bill (MGIB) basic monthly benefit for active duty servicemembers from \$350 to \$450 and the basic monthly

benefit reservists from \$170 to \$200 with proportional increases for part-time study in both.

Section 102. Authority of members of Selected Reserve to pursue graduate courses of education.—PVA has always supported continuing educational opportunities of military personnel; however, reservists who pursue graduate courses through this provision should incur a military service obligation in conjunction with receiving this educational assistance.

Section 103. Authority of members of Selected Reserve to receive tutorial assistance.—This initiative would allow tutorial assistance payable in an amount not to exceed \$100 per month, for a maximum of twelve months, or \$1,200. Tutorial assistance is important to both the participant using their MGIB benefits and the proper use of available fiscal resources. If the use of tutorial assistance will help a participant to successfully continue and complete his/her education, then we should be eager to assist in any way possible.

Section 104. Treatment of certain active duty service toward eligibility for educational assistance.—PVA supports allowing individuals who are discharged after less than 12 months of active duty, and later reenlist or re-enter active duty, to participate in the MGIB. Any reduction in basic pay during a prior period of service would be counted toward the \$1,200 pay reduction required for MGIB eligibility.

Section 105. Educational assistance for active duty members pursuing program of education on more than half-time basis.—Allow active-duty participants in the MGIB to receive benefits at the same rate as veterans when training on a half-time or more basis. PVA supports this initiative. With the constant changes that take place during the duty hours of active military members, this initiative will give them more flexibility in taking advantage of educational courses. This provision would assist young men and women in obtaining an education that might not otherwise be available to them because of the varied military duty schedules.

Section 106. Educational assistance for certain persons whose initial period of obligated service was less than three years.—PVA supports this initiative. It would enable individuals who initially serve a continuous period of at least 3 years of active duty service, (even though he or she was initially obligated to serve less than 3 years of active duty) to be eligible for the same level of MGIB benefits as an individual whose initial obligated period of active duty service was for 3 years or more.

Section 107. Repeal of advance Payment of work-study allowance.—This initiative would eliminate the requirement for the Department of Veterans Affairs to pay work-study participants in advance an amount equal to 40 percent of the total amount of the work study allowance, agreed to be paid under the agreement, in return for the individual's agreement to perform the number of hours in advance of the performance of services.

PVA believes the provision eliminating the requirement for VA to provide payment of work-study allowances to work-study participants in advance of performance of services is of some concern. Frequently, potential participants not provided advance financial means to meet a work-study commitment are unable to muster resources needed to clear prior obligations and pay for necessary preparatory measures such as transportation, special clothing, tools/equipment, etc. Consequently, potential participants are financially dissuaded from enrolling in a program of this nature. PVA feels that the loss of monies attributable to individuals who fail to participate in spite of advance payments will be negligible, especially when compared to advantages gained by individuals who would not otherwise be able to participate due to financial restraints.

Section 108. Revision of requirements relating to approval of accredited courses.—This initiative would modify the accredited-school approval requirements by (1) repealing the requirement that elementary and secondary schools furnish a copy of a catalog in applying for approval of an accredited course by a State approving agency (SAA), and (2) adding a requirement that schools that have and enforce standards of attendance must submit these standards to the SAA for approval.

Section 109. Bar assistance for persons whose education is paid for as federal employee training.—PVA supports this initiative which would bar veterans' educational assistance for a course paid under the Government Employees Training Act. Proper fiscal restraint is very important so that proper allocation of funds is equitable.

Section 110. Treatment of advance payments of certain assistance to veterans who die.—PVA supports this initiative which would eliminate recovery of educational assistance allowance payment (latest monthly payment) by reason of the death of the eligible participant.

Section 111. Clarification of permitted changes in programs of education.—PVA supports this initiative, which would allow a student who successfully completes a

program of education with VA benefits, to pursue another program of education, and allow a change in the type of training pursued if there is no change in the vocational objective.

Section 112. Disapproval of nonaccredited independent study.—PVA supports this initiative which would eliminate the benefit differential for independent study and other non-traditional types of training which have not been accredited by SAAs, and prohibit the use of benefits for nonaccredited independent study.

Section 113. Revisions in measurement of courses.—PVA strongly supports this initiative which would permit refresher training for the service-connected disabled veterans' survivors and dependents who are eligible for educational assistance under chapter 35 of title 38, United States Code.

Section 114. Refresher training for survivors and dependents.—PVA strongly supports this initiative which would allow "already qualified" (those individuals who are eligible for educational assistance under chapter 35, title 38, United States Code) spouses and dependent children, up to six months of educational assistance (or the equivalent of part-time assistance) for the pursuit of refresher training to permit the individual to update the person's knowledge and skills. This provision will be greatly appreciated by those spouses and dependent children who have sacrificed their educational opportunities to assist their disabled veteran sponsors.

Section 115. Eligibility of certain officers for educational purposes.—PVA supports this initiative which would permit participation in the MGIB for individual who, after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or upon completion of a senior ROTC program.

TITLE II—VOCATIONAL REHABILITATION AND PENSION PROGRAMS

Section 201. Permanent programs of vocational rehabilitation for certain veterans.—PVA supports this initiative which would amend section 1163 of title 38, United States Code, which states that the disability rating of a qualified veteran, who begins to engage in a substantially gainful occupation during the program period, may not be reduced on the basis of the veteran having secured and followed a substantially gainful occupation unless the veteran maintains such an occupation for a period of 12 consecutive months. The term "program period" means the period beginning after January 31, 1985.

Section 202. Permanent program of vocational training for certain pension recipients.—PVA strongly supports this initiative which would make permanent and totally voluntary the program of vocational evaluation and training for pension recipients.

Section 203. Protection of health-care eligibility.—PVA strongly supports the 3-year protection of VA-healthcare eligibility for veterans who lose their pension due to employment income. (Mr. Chairman, this provision is consistent with similar language in your DIC reform legislation S. 2323, in which consideration is given to the disabled veteran.) This provision takes into consideration the disabled veterans ability to adjust to lost benefits while still being able to maintain financial and physical stability.

The high rate of unemployment for the disability community can be attributed to the loss of healthcare benefits (pre-existing conditions) after becoming gainfully employed. It is important to assist pension recipients when making changes to employment benefit legislation.

Section 204. Increase in subsistence allowance for veterans receiving vocational or rehabilitative training.—PVA continues to support legislative initiatives that assist disabled veterans in becoming more productive through the participation in a training or vocational rehabilitation program under chapter 31 of title 38. The requested increase of 10 percent in the subsistence allowance is long overdue.

Section 205. Vocational rehabilitation for certain disabled veterans with serious employment handicaps.—PVA would like to thank the Chairman for this initiative. Service-connected disabled veterans should be assisted by the VA in any and all areas that they have the ability to assist. PVA strongly supports the restoration of vocational rehabilitation for veterans rated 10 percent service-connected disabled who the Secretary of Veterans Affairs determines have serious employment handicaps.

Section 206. Treatment of certain applications for pension and disability and indemnity compensation.—PVA strongly supports this initiative which provides that, where a new application for pension or for parents' dependency and indemnity compensation is filed within one year after renouncement of that benefit, the application shall not be treated as an original application and benefits not be treated as an

original application and benefits will be payable as if the renouncement had not occurred.

TITLE III—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES FOR VETERANS

Section 208. Improvement of disabled veterans' outreach program.—PVA supports this initiative which would expand the formula for the appointment of disabled veterans' outreach program specialists to include Vietnam-era veterans, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975), and disabled veterans.

Section 302. Repeal of delimiting date relating to treatment of veterans of the Vietnam era for employment and training purposes.—PVA supports this initiative. It deletes the following from section 4211(2)(B), "No veteran may be considered to be a veteran of the Vietnam era under this paragraph after December 31, 1994, except for purposes of section 4214 (employment with the U.S. Government) of this title. We can support this initiative as long as Vietnam-era veterans continue to enjoy the status given them previously under title 38.

Mr. Chairman, we want to thank you and the other members of this Committee for your continuing concern for the employment and training rights of our Nation's veterans.

We appreciate this legislation which considers the length of vocational rehabilitation necessary when the disability, such as a spinal cord injury, could be so severe as to necessitate extensive training or vocational rehabilitation efforts necessary to return to employment.

The disabled veteran and the VA's vocational rehabilitation division could work together in formulating a rehabilitation plan in a case management concept that would be compatible with the disabled veteran's needs.

S. 2515. "VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992"

PVA supports this proposed legislation which, if enacted, would provide employment assistance to hundreds of thousands of currently unemployed veterans and several hundred thousand active duty military personnel who will be voluntarily separated in the next few months. The number of Americans who are unemployed has steadily grown over the past year. Over 8.4 million Americans, including some 917,000 veterans, are currently unemployed. To make matters worse, another 400,000 military personnel will be discharged from our Armed Forces over the next five years.

The "Veterans' Employment and Training Act of 1992" is a revised and expanded version of the emergency Vietnam veterans' job training bill of 1983. By providing employer incentives to hire and train veterans in vocations leading to stable, long-term employment, this legislation will help recently discharged veterans and veterans who have been unemployed for longer periods of time, and homeless veterans.

This legislation would authorize a five year employment and training program. Employers who hire and train veterans under this act will be eligible for payments up to \$5,000 per year to defray the costs of training.

Veterans participating in an approved job training program, including apprenticeship programs, may receive up to \$1,500 for work-related expenses such as special clothing, tools, bus or car fare, and child care. This legislation would also include a special incentive of up to \$3,000 for employers hiring disabled veterans for the purpose of worksite modification. It also includes \$5 million to establish pilot projects to provide employment services counseling and development of job placement skills to homeless veterans.

The "Veterans' Employment and Training Act of 1992" would attempt to maximize appropriate matches of veterans with employers by requiring the Department of Veterans Affairs and the Department of Labor to develop an adequate referral process. Close monitoring of the program will also be encouraged by requiring submission of annual status reports to the congressional committees.

Section 4. Authority To Carry Out Programs.—Section 4 provides that the Secretary of Veterans Affairs and the Secretary of Labor shall assist eligible veterans in obtaining employment in permanent and stable positions requiring significant training. It will assist employers who employ and train eligible veterans to defray the costs of such training and appropriate counseling.

Section 5. Eligibility Of Veterans For Participation In Job Training Programs.—Section 5 provides that the Secretary of Labor certify veterans to participate in a job training program. A veteran is eligible for participation in a job training program if he is unemployed and submits an application for a certificate of eligibility

and has been unemployed for at least 10 of the 15 weeks immediately preceding the date of commencement of participation in the program.

The Secretary may withhold issuance of a certificate of eligibility if it is necessary to limit the number of participants in job training programs due to lack of funds. Veterans must commence participation in a job training program within 90 days of the date the certificate is issued.

Section 6. Employer Job Training Programs.—Employers seeking approval of a job training program must provide such training in a field having reasonable probability of stable, long-term employment.

Section 7. Approval of Employer Job Training Programs.—The Secretary of Labor shall approve each job training program established by an employer. Job training programs may include certain apprenticeships or other on-the-job training programs.

Section 8. Payments Of Training Assistance And Other Assistance To Employers.—The Secretary of Labor shall approve payment of training assistance to employers upon receipt from the employer of certifications. Payments shall equal the product of 50 percent of the hourly wage of the veteran and the number of hours worked by the veteran during the period, and shall not exceed \$5,000 annually. In addition, employers may receive up to \$3,000 for the modification of facilities or equipment on behalf of a disabled veteran hired and trained.

PVA strongly supports the accommodation assistance provided by the Secretary of Labor to employers who provide modification to facilities or equipment that are reasonable, not to exceed \$3,000. However, any necessary modification that exceeds \$3,000 to accommodate disabled veterans hired or trained by the employer should be considered a business expense for tax purposes.

Section 9. Training Benefits For Veterans.—The Secretary of Veterans Affairs shall pay certified veterans participating in an approved job training program up to \$1,500 to defray such work-related expenses as the purchase of work clothes and tools, car or bus fare, and the provision of child care.

Mr. Chairman, PVA commends you and the sponsors of this legislation for this provision which we consider to be an equitable means to assist those veterans who use the job training program.

Section 10. Prohibition On Commencement Of Job Training Programs Under Certain Circumstance.—An employer may not provide a veteran job training if the Secretary of Veterans Affairs determines that, on the date on which the employer intends to commence such training, there is insufficient funds to carry out the training. PVA believes this provision to be very important because it keeps employers from creating an unnecessary financial obligation by the government.

Section 11. Investigation And Monitoring Of Programs By The Secretary of Labor.—The Secretary of Labor may investigate any matter relating to the job training program. This authority will ensure that the job training programs carried out under this proposal (including the activities of veterans and employers) are in compliance with the legislation.

Section 12. Coordination with Other Job Training Assistance Programs.—Section 12 provides for coordination with other job training assistance programs to assure that employers and veterans do not receive payments if they are receiving payments in the form of tax credits, training assistance, or training benefits under another training assistance program.

Section 13. Counseling And Case Management Services.—The Secretary of Veterans Affairs and the Secretary of Labor may provide employment counseling and employment guidance services to certified veterans to enable such veterans to participate in a job training program. PVA supports the case management services concept whereby each eligible veteran is assigned a case manager, who is a disabled veteran's outreach program specialist. The case manager ensures the veteran has a personal interview not later than 60 days after the veteran commences participation in a job training program which will help prevent the unnecessary voluntary or involuntary termination of the veteran from the program.

The case manager assists the veteran by providing referral to appropriate counseling. If necessary, he follows the veteran's progress in the program and assesses the veteran's participation, as applicable, in completion of the program. The use of the case management concept shows the veteran that supportive services and resources are available to assist in the successful completion of the job training program.

Section 14. Information And Outreach Services.—Section 14 establishes a public information and outreach program to inform veterans of the job training programs and other federal training programs; it also informs private businesses, appropriate public agencies and organizations, institutions of higher education, trade associations, and labor organizations of such training programs and employment opportuni-

ties. PVA believes this provision, if utilized properly, could be the stimulus needed to make the program a complete success.

Section 15. Additional Assistance And Resources.—The Secretary of Veterans Affairs and the Secretary of Labor make available local offices and available personnel to carry out these programs. In carrying out these responsibilities the Secretary of Labor, to the maximum extent practicable, should make use of the services of Directors For Veterans' Employment and Training and Assistant Directors for Veterans' Employment and Training, to include disabled veterans' outreach program specialists (DVOPs) and local veterans' employment representatives (LVERs). The Secretary of Labor shall obtain from the Administrator of the Small Business Administration a list of small businesses that are suitable businesses to carry out job training programs.

Section 16.—Pilot Program Of Employment Services For Homeless Veterans.—The Secretary of Labor shall establish a pilot program to provide employment services, including counseling and other assistance, to homeless veterans. The Secretary of Labor shall award grants to any nonprofit entity determined to have special expertise or experience in employment assistance to homeless individuals or in other employment matters relating to homeless individuals.

The Secretary of Labor may not use more than \$5 million per year of funds. The five million dollars afforded the Secretary of Labor to establish a pilot program for provision of employment services may be excessive when considering that the basic structure for such a program is currently in place. Although funds appear to be allocated to meet perceived or projected demands prior to the program's 1997 expiration, a shortfall during any given year could break program momentum, stymieing the efforts and good intentions.

A more viable approach would be approaching the act as an emergency measure developed to stem chronic unemployment and homeless problems now plaguing America's veterans. As such, the Secretaries of Labor and Veterans Affairs would be required to determine program fiscal needs on a bi-annual basis, report the findings to Congress, and request any funding adjustments necessary to ensure fiscal year demands.

Allocated funds not expended in any given year should be delegated to the next fiscal year allocation, thus precluding any shortfalls as demands increase. This process should continue until all allocated funds are expended, or the full tenure of the program is reached, whichever occurs first.

Section 17. Program Assessment.—The Secretary of Labor, in consultation with the Secretary of Veterans Affairs, shall evaluate on an annual basis the status of the programs authorized and carried out under this legislation to ensure compliance. The Secretary of Labor shall collect information on the job training programs on a quarterly basis.

Section 18. Reports.—The Secretary of Labor shall submit a report on the actions taken to implement this legislation and supply estimated administrative costs for carrying it out not later than 90 days after the effective date of this proposed legislation.

Section 19. Termination Of Program.—An employer may not be paid training assistance on behalf of a veteran and a veteran may not be paid training benefits with respect to any training provided to the veteran in a job training program if the training is provided after September 30, 1997.

Section 20. Authorization Of Appropriations.—Section 20 authorizes the Department of Veterans Affairs and the Department of Labor to carry out the provisions of this Act; \$75 million in FY 1993, \$100 million in FY 1994; \$125 million in FY 1995 and FY 1996; and \$100 million in FY 1997.

No more than 5 percent of the amount appropriated or otherwise made available to the Department of Veterans Affairs and the Department of Labor in a fiscal year may be obligated for administrative activities of the Secretary of Veterans Affairs or the Secretary of Labor.

Mr. Chairman, I would like to thank you again on behalf of the members of the Paralyzed Veterans of America for holding this hearing on these most important and timely matters. This concludes my testimony. I will be happy to answer any questions you may have.

**PREPARED STATEMENT OF STEVE A. ROBERTSON, DEPUTY DIRECTOR,
NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION**

Mr. Chairman, The American Legion appreciates this opportunity to address the issues of veteran employment, veterans vocational training and education. The

Legion shares this Committee's concerns over the economic future of America's veterans.

The veterans employment community needs programs to get veterans into the labor force. Such programs as the Local Veterans Employment Representative (LVER); the Disabled Veterans Outreach Program (DVOP); the Transitional Assistance Program (TAP) and the Disabled Transitional Assistance Program (DTAP); the National Veterans Training Institute (NVTI); the Targeted Jobs Tax Credit (TJTC); Job Training Partnership Act (JTPA), Title IV-C; S. 2515, the Veterans' Employment and Training Act of 1992 and S. 2231, the Desert Storm Servicepersons' Readjustment Act of 1992 are instrumental in this endeavor. The extent to which these programs will benefit America's veterans rests in the hands of Congress.

At various points during our presentation here today, we will discuss a tax matter and certain appropriations matters. We realize that your committee has no jurisdiction over those legislative undertakings. However, we do believe that any comprehensive discussion of veterans employment assistance needs should include them.

First, the Legion would like to reemphasize its concern for the inadequate funding levels for the veterans employment programs administered by the Department of Labor's Assistant Secretary for Veterans Employment and Training (ASVET). Federally-mandated personnel levels for LVERs and DVOPs are not being met because of budgetary shortages.

In FY 1992, Congress funded only 1,449 of the 1,600 mandated LVER positions (91%) and 1,702 of the 1,885 formula-based DVOP specialists (90%). This 334 position shortage is critical as the unemployment rate nationwide remains high and more veterans are seeking employment due to the downsizing of the "total force." The President's FY 1993 budget request seeks funding for 1,397 LVERs (87%) and 1,641 DVOPs (87%) or 447 veterans employment personnel below the congressional-mandated minimum levels.

During the First Session of the 102nd Congress, LVERs and DVOPs were included in the TAP and the DTAP. These programs were developed by the Secretaries of Defense, Labor and Veterans Affairs to help with the successful transition from the military to the civilian work force for the hundreds of thousand military personnel leaving the service from FY 1992 through FY 1995. Since many military members enlist right out of school, few of these "instant veterans" have ever been exposed to job hunting in the civilian sector. One of the goals of TAP/DTAP is to provide training on job hunting skills, such as resume writing, interview techniques, "networking" and developing job opportunities.

The NVTI, which trains LVERs, DVOPs, TAP/DTAP coordinators and other employment specialists, did not receive any appropriations in the President's budget proposal. Since the ASVET has used NVTI, the quality of service to veterans by DVOPs, LVERs and other employment service personnel has dramatically improved. NVTI provides standardized training for those involved in the veterans employment community.

As a minimum, The American Legion recommends the appropriation of \$9 million for TAP/DTAP, \$90 million for DVOP, \$81.5 million for LVER and \$2.9 million for NVTI. All of these programs are critical to the ASVET's efforts for veterans employment.

As the First Session of the 102nd Congress drew to a close, TJTC received a last second extension. This cost effective program was designed to assist certain economically disadvantaged people in getting hired by providing employers with a modest tax credit for hiring and training individuals from the various categories. Annually, tens of thousands of veterans find employment opportunities thanks to TJTC. The American Legion continues to urge Congress to make TJTC a permanent program.

The primary job training program in America is JTPA. Title IV-C provides funds strictly for veterans; however, over the last few years, less than \$10 million has been appropriated annually. Recently, DoD transferred \$150 million into the Title III account to assist dislocated workers due to the closure of military installations. Since DoD is discharging hundreds of thousands of active duty personnel and eliminating National Guard and Reserve units, DoD should transfer money to the Title IV-C account. The American Legion would recommend \$150 million appropriated to JTPA, Title IV-C.

The Legion commends Senators DeConcini, Graham, Akaka, and Daschle for introducing S. 2515. Modeled after the highly successful Veterans Job Training Act (VJTA) of 1983, this program will be an effective employment tool for both employers and unemployed veterans. The old program was praised by those who used it because VJTA was geared to allow veterans to enter into careers that trained them

for meaningful employment with growth potential. Thousands of Korean era and Vietnam era veterans owe their current employment to VJTA.

In reviewing the bill, the Legion has a recommendation. Only veterans discharged other than dishonorably should be eligible for participation. The American Legion supports S. 2515.

Mr. Chairman, as we discuss the provisions of S. 2647, we wish to reaffirm The American Legion's complete commitment to the goal of ensuring that today's veterans have access to a GI Bill which provides a reasonable level of educational benefits. We appreciate your leadership in introducing the bill and holding this hearing to evaluate the measure.

Our organization fully supports the provisions which call for expanded use of the GI Bill for reservists who wish to pursue graduate level academic work or who need tutorial assistance. We also support the recommended technical changes regarding academic course measurement and similar matters. It is our understanding that those recommendations have been drawn from the final report of the VA education policy commission which spent several years reviewing the administration of veterans education/training programs. We also support the recommended adjustments in vocational rehabilitation rates and eligibility.

Regarding the matter of adjusting the Disabled Veterans Outreach Program (DVOP) formula, it is our understanding that the intent of this proposal is to ensure an adequate number of DVOP's nationwide while maintaining an appropriate state-by-state distribution of those employment specialists. We agree that the current statutory focus on Vietnam veterans should be expanded to include more recent veterans. We believe that such an adjustment is necessary because, in our opinion, the DVOP network should remain in place, and that network should be allowed to assist younger veterans whose job placement needs demand a targeted response by qualified specialists.

The American Legion is convinced that a minimum level of 1,900 DVOP's is necessary to effectively deal with the combined employment needs of disabled veterans, Vietnam veterans and those veterans whose entered active duty after May 1975. During the weeks ahead, our organization will be testifying before, and working with, both appropriations subcommittees on labor. We will be urging them to approve sufficient money in Fiscal Year 1993 to adequately finance the DVOP network, the LVER network and related components of nationwide initiatives to deal with the legitimate job training/placement needs of veterans.

Back to the matter of the GI Bill—members of this committee are aware that The American Legion has recommended a number of changes in the current program. The genesis of that recommendation was a series of meetings in April and May of 1991. At that time, we learned through official government sources that a monthly benefit level of \$777 would be necessary to pay the average costs of attending a public college.

As you know, that dollar figure is a basic element of legislation introduced by Senator DeConcini, S. 2231. That measure also includes other Legion-endorsed provisions such as eliminating the contributory obligation of the Montgomery GI Bill.

Mr. Chairman, at this point, we wish to briefly review this issue from an historical perspective. Such a review will provide some insight into the current situation, as well as our organization's position on the overall matter.

The Montgomery GI Bill has played a significant role in upgrading the quality of U.S. military forces. Unfortunately, there has been only one adjustment in the program's monthly benefits during its seven year life. That adjustment occurred in early 1991. It was a 17 percent increase which was less than one-third of the amount originally proposed.

Our organization actively supported the higher recommendation. We found it virtually incomprehensible that our nation's elected leaders—in an environment of post war euphoria—would limit the GI Bill increase to 17 percent. That decision was even more incredible when considering the average cost of higher education had grown by 70 percent since the Montgomery program had been initiated six years earlier.

In the summer and fall of 1991, as our organization was waiting for a CBO analysis of our own proposal, we presented the plan to various officials at the White House and on Capitol Hill. We reinforced that message repeatedly within the administration, hoping that the White House budget plan for Fiscal Year 1993 would incorporate our suggestions.

In early 1992, we learned along with everyone else that our appeals had fallen on deaf ears. Not only was the GI Bill benefit increase missing, but the administration budget plan even called for a higher "up front" contribution by those wanting to participate in the program.

However, that same budget plan did call for a massive Pell Grant increase. Shortly after the administration's blueprint was presented to Congress, the Senate and House quickly and overwhelmingly approved legislation authorizing a huge increase in the maximum Pell Grant.

The American Legion has no official position to express regarding the idea of increasing the Pell Grant. But we find it difficult to understand how that idea could be embraced so warmly in March of 1992, less than one year after a similar adjustment in veterans educational assistance was discarded in favor of a scaled down version. The inconsistency of those decisions becomes even more obvious when considering that GI Bill participants—unlike their Pell Grant counterparts—are required to invest in their own academic futures.

Our purpose in citing this recent history is simply to demonstrate the compelling need to take some corrective action. The men and women now leaving active duty should not be required to accept an educational assistance package which virtually forces them to work full time as they engage in their academic pursuits on a full time basis.

In presenting this testimony, we are well aware of the budget obstacles you face in even gaining approval of a \$450 basic monthly benefit. During the past nine months, as we discussed an improved GI Bill package with congressional members and administration officials, we were invariably asked one question—how do we propose to pay for it? You will be asked the same question as you take GI Bill legislation to the Senate floor.

The American Legion has no federal budget accounting proposal to address the question, but we do have an answer. The OBRA 1990 budget constraints which are creating the greatest obstacle to financing an improved GI Bill were negotiated during a six month summit between congressional leaders and White House officials. If key people on Capitol Hill and at the White House are committed to doing the right thing in the area of veterans educational assistance, then an agreement can be reached to waive the OBRA 1990 rules for this specific purpose.

Mr. Chairman, we appreciate your interest in improving the current GI Bill. We are indebted to Senator DeConcini for introducing our proposal. And we know that other members of this committee on both sides of the aisle want to increase veterans educational assistance.

With reference to fundamental changes in educational assistance to Persian Gulf War veterans, we support S. 2231. If this committee disagrees, we encourage you to amend S. 2647 by increasing the basic monthly benefit levels. We encourage you to eliminate the contributory requirement. If you decide to retain that requirement, we encourage you to spread the \$1,200 contribution over a two year period in order to relieve the service member's financial burden somewhat.

As stated above, we fully support many of the provisions in S. 2647. We, therefore, will not oppose the measure because of our concerns over the proposed basic benefit levels. We do urge you to improve them.

Mr. Chairman, The American Legion realizes that, without existing budget constraints, S. 2647 would be more generous. We do hope that Congress finds a way later this year to address the OBRA 1990 obstacles and, in so doing, to approve GI Bill legislation. However, if that legislation fails to observe the principals contained in our proposal, we plan to be back here next year asking you for additional improvements.

Mr. Chairman, in closing, we want to commend you for your attention to the educational and employment assistance needs of veterans. You can be sure that we are also attentive to those needs. In various presentations since February, we have urged congressional authorizing and appropriations committees to proceed cautiously on downsizing the active and reserve forces. We have discussed homelessness among veterans, necessary money for the TAP program, maintaining TJTC, paying for the DVOP and LVER networks and financing Title IV-C of JTPA.

During the next five weeks, we plan to make similar presentations to the platform committees of both political parties. We will ask those committees to recommend policies which ensure that the heroes of 14 months ago are not victims of government neglect and are not thrown unprepared into a very uncertain job market.

We will remind those committees that the GI Bill is one of the wisest investments ever made by the U.S. government. We will remind them that the GI Bill virtually created today's middle class, the group which now finances most of the federal government's activities. We will remind them that the most recent generation of veterans is brighter and more motivated than their predecessors over the previous four decades, characteristics which virtually ensure that they will be successful students. And we will remind them that a renewed investment in the GI Bill at this time will produce greater income tax revenues well into the 21st century.

Mr. Chairman, we deeply appreciate the opportunity to present our views here today.

STATEMENT OF C.M. SGT. RUDY CLARK, USAF (RET.), DEPUTY EXECUTIVE DIRECTOR AND C.M. SGT. ROBERT G. MILLER, USAF (RET.), LEGISLATIVE ASSISTANT, MILITARY AND GOVERNMENT RELATIONS, AIR FORCE SERGEANTS ASSOCIATION

Mr. Chairman and distinguished members of the Senate Veterans' Affairs Committee. The Air Force Sergeants Association (AFSA) is very grateful to you for holding these hearings and giving us this opportunity to present our views on a subject about which we are deeply concerned.

The drawdown is having a tremendous adverse affect on military personnel and their families as they are forced from what was expected to be a full lifetime career. Both bills, S. 2515 and S. 2647, would provide much needed relief to our military personnel, veterans and their families during their readjustment to civilian life. AFSA has taken an active role to lessen the hardships of transition for these people who have sacrificed so much for all of us.

In early 1991, we created a major new employment assistance program that has already benefited thousands of enlisted personnel of the Air Force, Air Force Reserve and Air National Guard. Our involvement in this program required us to visit numerous bases and observe first hand the difficulties associated with providing adequate transition assistance.

From this experience, and "lessons learned" we have developed ideas and recommendations that may best serve the needs of military personnel and their families as they are forced into a civilian economy that is plagued with inflation and high unemployment. We have identified the following deficiencies that need correcting:

1. Lack of educational benefits.
2. Lack of job placement services.
3. Lack of vocational training/retraining.
4. Lack of aggressive interface with national employers.
5. Increasing responsibilities for Disabled Veterans Outreach Program Specialists (DVOP) and Local Veterans Employment Representatives (LVER) while resources decrease.
6. Lack of effective central control of the entire program.
7. Lack of incentives for employers to hire veterans.
8. An inequitable tax burden that is also detrimental to the objectives of the VSI/SSB.
9. Many poorly trained counselors.
10. The three-day TAP workshop does not provide enough time for adequate training.
11. Many veterans are not aware of their eligibility for unemployment benefits. In fact, many may not be eligible for unemployment compensation in some states because of the improper wording in discharge certificates that indicates voluntary separation rather than "for the convenience of the government."
12. Untimeliness. Often, members receive transition counseling within 30 to 60 days prior to separation rather than at least six months prior to separation as it should be.
13. Inconsistent and insufficient funding.

Our review of the provisions of the legislation currently being considered reveals that each bill would make significant improvements as noted below:

S. 2647, introduced by Chairman Cranston would correct or improve upon the deficiencies identified above by numbers 1, 2, 3, 5 and 10; S. 2515, introduced by Senator DeConcini would correct or improve upon the deficiencies identified above by numbers 2, 3, 6, 7 and 13.

In our recent testimony to the House Veterans' Affairs Committee, we urged passage of S. 2515 and supported an improved Veterans Job Training bill. Now, we see that S. 2647 includes many of the provisions that AFSA supports. However, not one of these bills provides a comprehensive program that would correct all the deficiencies. If all the provisions of each bill were combined into one piece of legislation, it would result in a more complete program, but would still be lacking in the following areas:

- Lack of effective central control of the entire program.
- Lack of aggressive interface with national employers.
- An inequitable tax burden that is also detrimental to the objectives of SSB/VSI.

Lack of attention to future eligibility for unemployment compensation.
 Untimeliness of transition and employment training/services.
 Inconsistent and insufficient funding.
 Lack of educational benefits.

Therefore, AFSA offers the following comments and recommendations:

COMMENTS: S. 2515. VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992.—After a careful analysis of S. 2515, we have concluded that it is the best transition/employment and training legislation that we have seen, and AFSA supports the bill. Now, we will specifically address certain provisions of the proposed legislation. First, we offer our comments on those provisions of S. 2515 which we strongly support.

Section 7. We agree with the Department of Labor (DOL) having primary responsibility for the operation of the program. In fact, in our previous testimony to the House Veterans' Affairs Committee on the Transition Assistance Program (TAP), we identified the lack of effective central control as one of its major deficiencies and recommended that the office of the Assistant Secretary of Labor for Veterans' Employment and Training would be the most practical choice to oversee all TAP actions and responsibilities of the DOL, DOD and the VA.

We maintain that same opinion for this legislation. All other involved departments should provide support and assistance to the DOL. Further, we recommend that the DOL receive the funding and be responsible for any payments required by the program.

Section 2. Investigation and Monitoring of Programs.—This provision is necessary to ensure that the job training programs are in compliance with the intent of this legislation.

Section 13. Counseling and Case Management Services.—The individual counseling and case management approach provides that personal service that will contribute to a more successful program by helping the veteran to better understand their opportunities and responsibilities associated with the program. This will result in a lower drop-out rate and will benefit all concerned.

Section 15. Additional Assistance and Resources.—This provision enables DOL to take advantage of all available programs and resources that will contribute toward a more successful and comprehensive transition program for our veterans.

Section 16. Pilot Program of Employment Services for Homeless Veterans.—Homelessness is a major problem throughout our country. The fact that one-third of the homeless are veterans is particularly tragic. Many of these unfortunate veterans have sacrificed so much as a result of service-connected ailments that it is truly a shame and demands special attention by our government to help them to once again become productive citizens.

While others may argue that these homeless veterans will not respond to any program because of their physical and mental ailments, we strongly disagree with the premise that homeless veterans are a "lost cause." Let's not abandon them. AFSA urges the committee to retain this provision, including the \$5 million annual funding cap.

Section 17 and Section 18. Program Assessment and Reports.—These provisions are critical to ensure that implementation and on-going management and operation of the programs are accomplished in a timely and efficient manner so as to meet the objectives intended by this committee. It is unfortunate that similar provisions were not included for TAP that would have prevented the implementation problems experienced with that program.

Section 20. Authorization and Appropriation.—This provision has the potential to reduce the possibility of inconsistent funding which greatly impaired previous job programs.

COMMENTS: Now we will comment on the remaining provisions of S. 2515 and point out any modifications that may be needed.

Section 5. Eligibility of Veterans for Participation in Job Training Programs.—In addition to the hundreds of thousands of "instant veterans" being produced by the drawdown, veterans of past eras also continue to need employment assistance because of many lingering service-related problems. Therefore, AFSA strongly supports eligibility criteria that includes veterans of all eras, past and present, so they may all receive the on-going employment training and placement services they have earned.

AFSA recommends, veterans should become eligible for participation in the program immediately upon becoming unemployed or, when known in advance, up to six months prior to projected separation date.

Additionally, we strongly disagree with the requirement for the veteran to have experienced unemployment for at least 10 of the previous 15 weeks. Why must the

government require veterans to suffer through several months of unemployment, before we begin addressing their urgent needs? The objective of any employment legislation must be to prevent our veterans from becoming unemployed.

Section 6. Employers Job Training Programs.—Expand the provisions of this section in conjunction with section 14 to ensure that procedures are established to require an aggressive interface with national employers.

Section 8. Payments of Training Assistance and other Assistance to Employers.—The key to success of any job training program is the incentive that entices employers to provide necessary training for the veteran to become a valued long term employee. We are concerned that a \$5,000 maximum per person may not be sufficient incentive to induce enough employers to participate. Although direct payments normally tend to be more persuasive than tax incentives, the direct payments also increase the occurrence of fraud, waste and abuse. Therefore, we recommend that \$7,500 maximum will be an adequate incentive amount, but that it not be paid directly. The value of \$7,500 incentive plus up to \$3,000 for modifications on behalf of disabled veteran trainees can be maximized if it is provided in the form of a tax credit that would be deducted from the employer's tax due.

Section 9. Training Benefits for Veterans.—AFSA strongly supports this provision to defray the cost of work related expenses, up to \$1,500. This will eliminate many of the obstacles that normally interfere with successful employment opportunity. However, we recommend that payments be made by DOL rather than VA.

DOL not only has the capability and experience to accomplish this task, but also, because it has primary responsibility for the program, it is imperative that they receive the funding, including the autonomy to match their responsibilities. To do otherwise, would reduce the economical management and effectiveness that are expected for such a program.

Section 10. Prohibition on Commencement of Job Training Programs under certain circumstances.—AFSA is concerned that this provision would reduce the credibility of the program and hamper its opportunity for success. It seems to offer a "cop-out" for a condition that would be caused by poor planning, inefficient management of resources, or inadequate congressional commitment. Other provisions of this legislation establish funding, monitoring and reporting procedures that will maximize the potential for effective management. Based upon experience, this should produce accurate projections of demand and budgetary needs.

When the demand for services provided by the legislation exceeds original estimates, should you penalize eligible veterans by withdrawing the services for which they are entitled, and, turn away employers who are willing to offer the needed training and employment? We think not! It would greatly impair the success of the program.

Effective management procedures should identify in advance that additional funds are required to continue the program. Likewise, when the need for additional funds is identified and requested, the Congress must follow through with their commitment to the legislation they enacted, so that it will become a credible, on-going permanent program.

AFSA recommends elimination of the provision to prohibit job training because of insufficient availability of funds. We need to learn from mistakes of past programs and make the necessary commitment to ensure the continuity of adequate funding.

Section 14. Information and Outreach Services.—Expand the provisions of this section in conjunction with Section 6 to ensure that procedures are established that require an aggressive interface with national employers.

S. 2647. VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992.—As a result of our analysis of this legislation, we offer the following comments and recommendations.

Section 101. Increase in Amount of Basic Educational Assistance.—AFSA supports the proposal to increase the Montgomery G.I. Bill (MGIB) basic monthly benefit. However, we disagree with the amount of the benefit increase. The MGIB has played a major role in upgrading the quality of the Armed Forces, but, it has had only one adjustment in benefits, 17 percent in 1991. The MGIB provides benefits that pay for about 42 percent of state college expenses for veterans who must contribute \$1,200 to participate.

For veterans of previous wars, education compensation benefits met almost 100 percent of their state college expenses without any contribution required by the veteran. Today's veterans deserve at least as much. AFSA recommends:

Increase the monthly benefits by 150 percent (to \$875 for members in full-time study); and

Eliminate the veterans' contributory obligation.

We support those provisions that are included in S. 2231, introduced by Senator DeConcini.

Section 102. Authority of Members of Selected Reserves to Pursue Graduate Courses of Education.—AFSA supports this provision, but completion of an advanced degree with MGIB assistance should require a service commitment of six years after completion of the degree.

Section 103. Authority for Members of Selected Reserve to Receive Tutorial Assistance.—We support this provision, but would add the service commitment requirement as specified above for Section 102.

Section 104. Treatment of Certain Active Duty Service Toward Eligibility for Educational Assistance.—We support this provision.

Section 105. Educational Assistance for Active Duty Members.—We strongly agree that active duty members should receive benefits at the same rate as veterans. This will provide more fairness, as all participants must contribute the same \$1,200.

Section 106. Educational Assistance for Certain Persons Whose Initial Period of Obligation was less than 3 years.—AFSA supports this initiative.

Section 107. Repeal of Advance Payment of Work-Study Allowance.—We oppose this provision. We doubt that any advantage gained by the repeal would be sufficient to overcome the loss of some of our most motivated participants.

Section 108. No input on this provision.

Section 109. Bar Assistance for Persons Whose Education is Paid as Federal Employee Training.—We concur—to prevent payment of duplicative federal benefits.

Section 110. Treatment of Advance Payments of Certain Assistance to Veterans Who Die.—We agree with this initiative.

Section 111. Clarification of Permitted Changes in Programs of Education.—Concur.

Section 112. Disapproval of Non-accredited Independent Study.—Concur.

Section 113. Revisions in Measurement of Courses.—We concur with this initiative to standardize.

Section 114. Refresher Training for Survivors and Dependents.—AFSA strongly supports this initiative to assist the dependents or survivors of disabled or deceased veterans. This legislation will enable their dependents and survivors to update their knowledge and skills, so they may be able to survive better financially.

Section 115. Eligibility of Certain Officers.—As an association that represents only enlisted personnel, AFSA has no input on this provision.

Title II, Sections 201 through 206.—AFSA strongly supports these initiatives for Vocational Rehabilitation and Pension Programs.

Title III, Job Counseling, Training and Placement Services for Veterans.—AFSA applauds these provisions to improve and update employment services to veterans.

To correct the remaining deficiencies and accomplish the objectives of this committee, we offer the following additional comments and recommendations:

COMMENT: Within our presentation, we will discuss certain tax and appropriation matters. While we realize those issues are beyond this committee's jurisdiction, we felt compelled to include them in this comprehensive statement about Veterans Employment and Education.

COMMENT: The drawdown is creating hundreds of thousands of "instant veterans" and is robbing them of their opportunity for a military career and subsequent retirement. To encourage voluntary separation and to help offset their loss, Congress passed legislation that provides involuntary Separation Pay, Voluntary Separation Incentive (VSI) and special separation benefits (SSB). In each of these cases, the payments are fully taxed in the year they are received. This tax burden is not only detrimental to objectives for which Congress intended VS/SSB to accomplish, but also reduces the possibility for these "instant veterans" to use the payments as a replacement for the retirement pension which is being taken away from them.

Contributions had been placed into the retirement fund during the period of service for each member. Civilians who leave a company of the private sector are allowed to "roll over" their accumulated pension account into another qualified plan or IRA, enabling a tax deferred transfer of the retirement nest egg. It seems only fair that these separation payments, which are intended to provide an offset to the loss of income and future retirement, should be treated the same as a civilian qualified plan withdrawal.

RECOMMENDATION: Revise IRS laws to treat separation pay and incentives as funds from a qualified plan and allow the veteran to "roll over" the money within the normal 60-day period into an individual retirement account (IRA) or other qualified retirement plan. This would allow them to at least have a start toward replacing the lost military retirement upon which that they were relying for their future survival and to defer taxes on that money until it is withdrawn as needed in their

future. Toward this objective, we urge each of you to support S. 252 introduced by Senator John Warner (R-VA).

RECOMMENDATION: That DOD and the services be directed to ensure the Discharge Certificate (DD Form 214) for all members who are separated, whether involuntary, or under SSI or VSI, contains the appropriate entry to verify that the separation is not voluntary, but is "for the convenience of the government."

RECOMMENDATION: Merge the provisions of S. 2515 and S. 2647, into one bill in order to provide a more complete program and enable more economical and efficient management of resources while providing the most effective services to veterans and employers.

RECOMMENDATION: Provide veterans with comprehensive assessment testing, similar to the current Armed Services Vocational Aptitude Battery (ASVAB) administered upon enlistment, to include skills, aptitude, interests and personality inventories, to assist them in deciding which opportunities are most likely to be successful for them.

RECOMMENDATION: Expand research and developmental activities that will identify the most effective career change preparations for military personnel transitions to civilian life.

RECOMMENDATION: Coordinate existing vocational education programs with job placement systems to establish a permanent ongoing job-training and job-placement system for transitioning military personnel and veterans.

RECOMMENDATION: The DVOP and LVER specialists and all TAP and DTAP counselors, who serve the needs of job-seeking veterans should be highly qualified and receive the best training available. The National Veterans Training Institute (NVTI) has gone unfunded in the president's proposed FY 1993 budget—this must be corrected.

AFSA recommends funding that would enable these programs to operate effectively. Appropriate at least \$9 million to TAP/DTAP, \$90 million to DVOP, \$80 million to LVER and \$3 million to NVTI.

RECOMMENDATION: Establish controls to ensure each separating member receives professional counseling no later than six months before separation. Counseling should include current information on at least the following subjects:

- Veterans benefits and entitlements.
- VA compensation (disability).
- Job applications and interviewing skills.
- Job search techniques.
- Employer research.
- Resume and cover letter preparation.
- Effect of career change on member and family, and the truth about the problems and competition they will face.
- Financial planning.
- Educational benefits.
- Reserve opportunities and procedures.
- Job search and placement assistance.
- Relocation information.
- Medical and dental coverage availability.

RECOMMENDATION: Establish controls to ensure maximum participation in TAP and DTAP classes. The current participation rate of 21 percent is unacceptable.

RECOMMENDATION: Establish controls to ensure the Department of Labor's Veterans Employment Training Service (VETS) will hire at least 1,885 personnel for DVOP and at least 1,600 for LVER, which Congress has authorized.

RECOMMENDATION: Rejuvenate the Job Training Partnership Act (JTPA), by appropriating \$150 million to JTPA, Title IV-C, and make permanent the Targeted Jobs Tax Credit (JTTC). These valuable programs should be continued under the management of DOL along with the other programs specified in this legislation.

COMMENT: The requirement for a member to repay VSI if he/she later becomes eligible for Reserve retired pay discourages participation in the Reserve. For example, an E-6 with 10 years of service would have to pay back over \$90,000 if he/she joined the Selected Reserves and became eligible for Reserve retired pay at age 60.

AFSA recommends the reduction of one day in VSI payment for every day the individual receives Reserve pay, which would not be sufficient disincentive to keep someone from joining the Selected Reserves. For example, the E-6 with 10 years of service would receive \$200 for a four-drill weekend and have his/her VSI payment offset by \$25, thus yielding a gain of \$175.

RECOMMENDATION: Congress should pass H.R. 4320, introduced by Congressman Albert G. Bustamante (D-TX) to provide extended medical benefits under the

CHAMPUS program for military personnel who have served eight years or more and are involuntarily separated or who opt for an "early out."

RECOMMENDATION: To provide veterans of all eras equal time to complete their educational goals, we recommend that benefits under the old G.I. Bill, that expired December 31, 1989, be extended to 10 years after the veteran's discharge date from the military.

The provisions of S. 2515 and S. 2647 with our recommended improvements should produce a centrally managed and fully coordinated program than will provide the greatest possible expertise and services necessary to enable the successful transition into civilian life of our veterans. This accomplishment will provide a tremendous investment in the economy and future of our country.

This concludes our statement. Thank you for considering AFSA's views.

**STATEMENT OF COL. ERIK G. JOHNSON, JR., USA (RET.), DIRECTOR OF
LEGISLATIVE AFFAIRS, ASSOCIATION OF THE UNITED STATES ARMY**

Mr. Chairman and Members of the Committee, it is a pleasure for me to provide you the views of the Association of the United States Army (AUSA) concerning S. 2515, the "Veterans' Employment and Training Act of 1992," and S. 2647, the "Veterans' Readjustment Benefits Improvement Act of 1992."

S. 2515 VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992

The Association compliments committee members for the timely hearings on this bill. It represents an excellent attempt to provide the shareholders, or veterans, their first installment of the "PEACE DIVIDEND."

We believe that section 4 of the bill may provoke some problems in applying a meaningful definition to the term "permanent and stable positions." In one sense it could be highly restrictive because it denotes duration and a determination of stability on a horizontal time scale. More important than time or relative stability is the need to train employees for immediate employment and in skills that meet the known criteria for work in the 21st century.

Recently, several studies have concluded that many unemployed workers will not be able to return to their jobs because they will no longer be required in the workforce of the 90's and beyond. The conclusions point to the necessity for workers to become literate in math, science and other technical skills. While this proposal provides six months to two years of training, a period that should be adequate to acquire most job skills, it does not specifically require the employer to retain the veteran in the position for which the training was provided. If this means that the veteran may be moved to a position of greater responsibility or qualification then this would be well received by our Association. But, if it provides a way for the employer to participate in the program without providing meaningful, long-term employment, we are opposed to the wording of this provision.

As with most programs the issue of appropriations is always a primary area of concern. The average cost of the program is about \$100 million per year. Your decision to fund the program on a five-year basis is a good one. By doing this the government shows its long term commitment to the program. That kind of a commitment is needed to match the "build-down" of forces throughout the Department of Defense during the next five years.

S. 2515 has numerous staffing and reporting requirements. No person would argue with the need to ensure that the program has all of the necessities for efficient control. We must be careful that administrative requirements do not siphon off too much of the funding, thereby, leaving too little for training of veterans. Coordination and counseling for the program should begin at the military service level where transition programs are already in place. These points of contact must be mindful of the program's potential and conduct preliminary screening for personnel interested and qualified for participation in employment training. If we let personnel leave the service without a clear understanding of what is available to assist them toward employment we are missing an excellent opportunity to make the system more responsive for employees and employers. We applaud the section 21 restriction of limiting administrative costs to 5% of the funding, and hope that this will be strictly enforced.

AUSA strongly supports S. 2515, the Veterans' Employment and Training Act of 1992, as a necessary adjunct to providing employment opportunities to service personnel being released from active duty by virtue of force structure reductions.

S. 2647, VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992

With respect to the cost-of-living provisions included in S. 2647, the Association has long supported increases in allowances for the Montgomery GI Bill. While certain segments of the economy have seen small inflationary increases over the past several years, expenses related to education have been greater. Your recognition of inflationary effects on participants in the MGIB demonstrates a keen interest in maintaining the basic benefits of this program.

We support the proposal to grant additional educational training to members of the Guard and Reserve. Their participation in the Total Force has grown significantly over the years, and your bill reflects a down payment on past achievements and future service. They have earned these benefits on a daily basis with their willingness to mobilize. This was well documented during Operations Desert Shield and Desert Storm.

Our previous comments concerning administration of the program apply to this proposal as well. We must continue our oversight responsibility in an aggressive manner. You have identified several areas that could lead to misuse of benefits.

As you have indicated, work study payments must follow completion of the task. Additionally, past abuses of education benefits have been discovered in poorly conceived and supervised academic programs. We believe that you should enforce standards, both in course work and attendance. In a case where secondary schools are not certified by the state concerned, oversight must be extended to ensure that the student receives course work that can be used in the furtherance of post-secondary education. Other oversight provisions concerning restrictions on dual participation are equally important.

The Title II provisions of the bill are especially helpful to those veterans having disabilities that affect their employment potential. Rather than crafting legislation that attempts to address a heterogeneous group, this bill speaks to the problems affecting individuals.

Noteworthy is the continuance of the 3-year protection of VA health-care eligibility for veterans who lose their pension due to employment income. This recognizes the importance of this benefit and allows for a smoother transition into the workforce.

Restoration of vocational rehabilitation for veterans rated 10% disabled has potential for abuse. However, the requirement for the VA to make individual determination of a serious employment handicap appears to overcome any objection we have.

AUSA believes that there is an immediate need to increase the subsistence allowance for veterans receiving vocational or rehabilitative training. Even if this bill is not passed this year, we must find a way to ameliorate the effects of inflation on these program recipients.

In conclusion, we support the intent of this legislation and believe that it will provide the necessary administrative, financial and personnel increases required to support our veterans in a manner consistent with their sacrifices to our nation.

Thank you for the opportunity to express our views on both bills being considered here today.

If I may, in closing just mention to the committee a matter about which some of our veteran members have expressed significant concern. It is our understanding that the House has under consideration legislation that would change the status of education benefits now received under the Montgomery GI Bill from a resource toward college tuition to income in determining a veteran's eligibility for Pell Grant and other student financial aid. If enacted it would, we believe, reduce considerably the amount of financial aid for which veterans are eligible.

Furthermore, this seems to us to be highly discriminatory. Why single out veterans? Civilian recipients of other forms of college financial aid will suffer no reduction in their eligibility. This proposal is contained in H.R. 3553, Reauthorization of the Higher Education Act of 1965.

We ask that this committee oppose any such changes in the status of Montgomery GI Bill education benefits.

STATEMENT OF CHRISTOPHER JEHN, ASSISTANT SECRETARY OF DEFENSE, FORCE MANAGEMENT AND PERSONNEL, DEPARTMENT OF DEFENSE

Mr. Chairman, thank you for the opportunity to provide the Department's comments on S. 2647, "Veterans' Readjustment Benefits Improvement Act of 1992."

We have recently submitted our biennial report to the Congress regarding the status, adequacy, effectiveness, and needed changes for administration of the Montgomery GI Bill (MGIB) education benefits program. The MGIB has proven effective as a recruitment incentive and has had a positive influence on educational attainment of post-service military personnel.

We believe the current MGIB benefit levels are appropriate and allow the Services to meet their accession objectives with quality recruits. While we recognize that education costs have risen since the start of the MGIB program in July 1985, we do not endorse increasing the basic benefit level as we are currently meeting our accession objectives and are enjoying strong retention. We do support the provisions contained in the "Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991," to retain the \$350 monthly rate.

Our assessment of provisions proposed in S. 2647 relevant to the Department are enclosed.

DEPARTMENT OF DEFENSE COMMENTS TO PROVISIONS IN S. 2647, VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992

Provision 1.—Increase the Montgomery GI Bill (MGIB) basic monthly benefit for active-duty Service members from \$350 to \$450 and the basic monthly benefit for reservists from \$170 to \$200—with proportional increases for part-time study in both cases.

Comment.—The Department does not support this provision. Current benefit levels are appropriate and will continue to allow the Services to meet their active and Reserve accession objectives with quality recruits.

Provision 2.—Permit reservists to pursue graduate training under the MGIB.

Comment.—The Department does not support this provision. Expanding benefits to include graduate training for reservists is not necessary to fulfill the statutory purpose of the MGIB for the Selected Reserve (i.e., recruitment and retention). Unlike the program for the active components (funded by the Department of Veterans Affairs), the Department pays the bill for the Selected Reserve program. This proposal would cost at least \$13 million a year in the steady state, and would do little to aid recruiting or retention since the population that would take advantage of this benefit is composed primarily of: (a) officers, who already have high retention and (b) those who already have served for a long period.

Provision 3.—Permit reservists to receive tutorial assistance under the MGIB.

Comment.—The Department does not support this provision. Expanding tutorial assistance under the MGIB also appears to involve an expense which is unnecessary, given current success in recruitment and retention of reservists.

Provision 4.—Provide that individuals who are discharged after less than 12 months of active duty and later reenlist or later reenter on active duty are eligible to participate in the MGIB. Any reductions in basic pay during a prior period of service would be counted toward the \$1,200 pay reduction required for MGIB eligibility.

Comment.—The Department supports this provision. It appears reasonable to enable an individual who contributed towards the MGIB (via reductions in basic pay) during a period of active duty lasting less than 12 months, to be credited with those contributions if he or she subsequently reenlists or reenters active duty.

Provision 5.—Permit active-duty participants in the MGIB to receive benefits at the same rate as veterans.

Comment.—A separate and complete package of proposals for standardization of all veterans' educational benefits is currently being developed within the Executive Branch. Accordingly, a position on this proposal has yet to be determined.

Provision 6.—Provide that an individual who initially serves a continuous period of at least 3 years of active duty, even though he or she was initially obligated to serve less than 3 years of active duty, is eligible for the same level of MGIB benefits as an individual whose initial obligated period of active-duty service was for 3 years or more.

Comment.—The Department would not object to this provision as long as its costs were fully offset.

Provision 11.—Allow a student who successfully completed a program of education with VA benefits to pursue another program of education and allow a change in the type of training pursued if there is no change in the vocational objective.

Comment.—The Department supports this provision.

Provision 14.—Permit participation in the MGIB for an individual who, after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or upon completion of a senior ROTC program.

Comment.—The Department does not support this provision. It does not comport with one of the primary purposes of the MCIB program, which is to recruit and retain quality personnel. Additionally, Section 3033 of Chapter 30 USC bars duplication of educational assistance benefits to veterans and Service members.

STATEMENT OF M. SGT. MICHAEL P. CLINE, EXECUTIVE DIRECTOR, ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES

The Enlisted Association of the National Guard of the United States (EANGUS) appreciates this opportunity to present testimony on S. 2647, the Veterans' Readjustment Improvements Act of 1992 and S. 2515, the Veterans' Employment and Training Act of 1992.

On behalf of the Enlisted men and women of the National Guard, we want to thank the Senate Veterans' Affairs Committee and the Congress for working to provide necessary benefits in 1991 during the Persian Gulf War to make necessary adjustments to existing statutes and to extend and adjust the rights and benefits of the personnel serving in the National Guard and Reserve who were called to duty.

As a result of the recent mobilization and deployment of the National Guard and Reserve, a significant number of National Guard and Reserve personnel have become eligible for veterans' benefits. The changes in existing programs that are proposed in the two bills under consideration will have a positive influence on the lives of many service members and veterans.

The Veterans' Readjustment Improvements Act of 1992 (S. 2647) affects the National Guard in several ways. First, S. 2647 increases the benefits for the Title 10, Selected Reserve Montgomery GI Bill by raising the amount of payments which will provide benefits for Graduate Level Studies and tutorial assistance. The Enlisted National Guard community has sought the expansion of education benefits to include graduate studies for a number of years. This change to the Montgomery GI Bill will provide enhanced educational and employment opportunities in a highly competitive world; and the proposed change will have important and positive results in the lives of National Guard personnel. With continually rising tuition costs, the increase in educational benefits payments brings welcome relief. We support these adjustments.

Many of our Enlisted people have obtained their Undergraduate Diplomas and therefore have not been eligible for the Montgomery GI Bill. As the force downsizes, it becomes even more important that we provide the added incentive to obtain the best qualified, and educated Soldiers and Airmen available. This amendment provides that incentive.

The Veterans' Employment and Training Act of 1992, S. 2515, is a comprehensive proposal that addresses a number of critical issues for the individual veteran and America as a whole—unemployment, occupational retraining and homelessness. The drawdown of the Armed Forces—Active, National Guard and Reserve—is a complicated factor in an already sluggish economy. Many individuals who volunteered for careers in the military service will be required to pursue new careers. The Congress passed separation benefits packages for active duty service members last year. These benefits were aimed at easing the transition into civilian life. The Bill under consideration by this Committee goes one step further in the process of transition by providing training and retraining opportunities.

3 Employer hardship and expenses are also considered and addressed in S. 2515. The Bill provides sound incentives for employers to hire and train disabled veterans, unemployed veterans and individuals being separated from military service. Experience has demonstrated that the responsibilities of military service and discipline produce good employees. With the rapidly changing market, the skills acquired during military service may not match job market requirements. Veterans' training/retraining programs bridge those gaps at a reasonable cost to the employer.

We would like the Committee to consider including in S. 2515 training and retraining opportunities for members of the National Guard, particularly full-time support personnel of the National Guard title 32 Active Guard/Reserve (AGR) program.

The force structure cuts facing the Army National Guard over the next five years are substantial. The Armed Services Committees are considering a separation benefits package for members of the National Guard who are facing the same curtailment of their military careers as their active duty counterparts. The full impact of the force structure cuts on members of the National Guard and Reserve is not obvious. However, many personnel who will be forced to leave have volunteered many

years of dedicated service. Like the Soldiers and Airmen on active duty, they have structured their financial lives around the expectation of a career in the National Guard and made decisions for the future of their families based on current income and retirement benefits after age 60. Loss of National Guard affiliation, which for many is avocation and vocation, requires these personnel to face career transitions.

The Enlisted Association of the National Guard of the United States thanks you for the efforts of this Committee in improving benefit and adjusting programs for those who have performed military service and for the employers who recognize the value of military service.

The two bills under consideration by the Committee would provide important and varied resources to individuals who have unselfishly dedicated service of their country. Some individuals have incurred permanent disabilities in the course of that service. We strongly support the direction of the proposed legislation. We believe the proposed bills will strengthen current programs as well as improve the quality of life for all veterans.

STATEMENT OF AL SCOTT, COMMISSIONER, GEORGIA DEPARTMENT OF LABOR

Mr. Chairman, I have studied with great interest S. 2515, the "Veterans' Employment and Training Act of 1992," and I share the very real concern expressed through this bill about the growing numbers of separating service people who face extreme difficulty in securing employment.

Clearly, S. 2515 proposes a process for providing on-the-job training which is much simpler and less burdensome administratively than its predecessor, the Veterans' Job Training Act (VJTA) program. I enthusiastically support and applaud that effort. I also commend the inclusion of assistance to employers in accommodating disabled veterans (Section 8(f)) and training benefits to veterans (Section 9(a)). Both provisions recognize the realities of the work place and seek to facilitate successful employment.

There are several elements of the bill, however, which raise concern. I would like to address each of these points briefly.

Section 5(b)(2).—The definition of "veteran" for the purposes of this bill is considerably broader than the recently revised definition in Section 4211 of Title 38. This proposed definition would appear to include, for instance, Reserve and National Guard personnel who have been activated for more than 90 days, regardless of location of active service. While it may well be the intent to make as many individuals as possible eligible for training, this broader definition creates a real dilemma for field staff attempting to carry out the bill's mandate. First, Disabled Veterans Outreach Program Specialists (DVOPs) and all others involved with the program will be required to work with two distinctly different definitions of "veteran," a situation guaranteed to create confusion and error. The confusion is compounded when the "veteran" eligible for services under S. 2515 discovers that s/he is not eligible for other veteran services under Title 38, such as preference in job referral, because of the more restrictive definition. To reiterate a plea made for years by the employment and training community, I urge you to keep definitions as consistent as possible.

Section 8.—S. 2515 is a vast improvement over the former VJTA program in its clear delineation of roles between the Secretary of Labor, who approves all veteran and employer applications, and the Secretary of Veterans Affairs, who makes all payments to employers and veterans. However, I would suggest that this dual administration is still not the most cost-effective and efficient way to operate the program. I hope that your Committee will explore the possibility of placing administration of applications and payments within a single agency, particularly given the very small percentage allocated for program administration.

Section 13(b).—Case management services are unarguably an important element of this program's success. However, this bill mandates a DVOP case manager for virtually every "eligible veteran" (broad definition). This is a practical and logistical impossibility. Already woefully underfunded and with the added responsibilities of the Transition Assistance Program (TAP) in many locations, DVOP staffing simply is not adequate to fulfill that requirement. We must have additional staff resources if we are to do the job properly and effectively.

Section 13(e).—While the ability to "contract out" services is not necessarily a problem in and of itself, we have seen in TAP and other programs how quickly duplicative services can materialize, however well-intentioned. I suggest that language requiring priority consideration for existing programs operated through the U.S. De-

partment of Labor (USDOL) and the Veterans Administration might help avoid that problem.

Section 17.—Reporting under the old VJTA program was a nightmarish exercise of manual "tic-marks" and reams of paper. Congress should, I believe, mandate that USDOL develop an automated reporting system that enables prompt and accurate capturing of required data. We do not need to divert hundreds of man-hours which could be used for client services to a mere "paper shuffling" exercise.

I respectfully submit these comments and concerns for your Committee's consideration. I will be happy to provide additional information if you so desire.

STATEMENT OF SANDY JAMES, VOCATIONAL REHABILITATION SPECIALIST, PRESCOTT VA MEDICAL CENTER

In order to accomplish its task in identifying needs, the Department of Veterans Affairs, the National Institute on Aging, the National Research Council's Committee on Vision and the Working Group on Aging Workers and Handicapped Impairment organized an invitational conference to review several dimensions of work, aging and handicapped needs. These specialists were drawn from the fields of gerontology, economics, sociology, statistics, psychology, political science, human factors engineering, and physiology. Conference participants were asked to identify and describe major research findings related to changing employment, homelessness, unemployment, youth and older or handicapped worker populations. They were asked to recommend solutions to issues identified. Much of the material used in the statistical narrative component of this letter has been taken from published findings of the National Commission of Employment policy and its final research report dated November, 1991 number 91-04. One significant finding in that report is that all federal and state agencies must find or develop job training programs to assist a rapidly growing diverge population of unemployed or undereducated with job skills needed to regain or enter the job market.

Meeting the multiple needs of prime age workers will require the skills and resources of several human resource systems in addition to those of employment and training. While many need training and jobs, they may have prior needs such as assistance with health care or housing and food before those needs can even be addressed. This implies that human resource systems must function in a flexible, coordinated way. The need for coordination points out the significance and benefits of integrated human resource systems and the concept of the "single point of contact" theory needed for effective program delivery.

It is estimated that approximately one third of the homeless population in the United States are veterans. Most have significant medical, psychiatric or substance abuse issues in addition to being underemployed or unemployed.

In the past, many government and philanthropic groups have been a principal source of funding and voice for these veterans. However, the levels of commitment are limited due to tight budgetary constraints and lack of resources or limiting legislation.

The VA is seeing a large group of older workers who must be retrained because of physical disability. Many of these individuals have spent most of their lives working in the heavy general labor and construction fields, and are no longer able to meet the physical requirements of the work.

The veterans in this older worker group continue to grow in number as the overall population gets older. The training programs must be as diverse as the veteran population it attempts to serve. Many of the publications on Workforce 2000 focus on the development of programs or legislation to assist these individuals. We must establish programs to prepare unskilled adults for entry into the labor force and to afford support services and job training to the economically disadvantaged individuals and handicapped veterans facing serious barriers to employment.

The unemployed and eventual homeless veteran being referred to the Veterans Affairs has a mean age of 42 years. Damrosch and Strasser (1988) contend that for many elderly homeless and unemployed (55 years old or older) that this is "the final stage in a lifelong series of crises and missed opportunities." However, the elderly are only a small subgroup of veterans who are seeking assistance in regaining work by developing new skills. This population of unemployed are living a marginal existence and must have support systems in place to help them achieve independence through new employment opportunities. A psychiatrist once described individuals facing prolonged unemployment as exhibiting "extreme disaffiliation and disconnection from supportive relationships." The paths to unemployment are varied, but we find veterans represented at all educational levels, occupations, age groups and

physical disabilities. Their lack of skills and/or jobs forces them into marginal living arrangements and leaves them vulnerable to abuse and victimization. Health problems are numerous and many have literacy problems as well. Rafferty (1989) finds this population prone to respiratory infections, sexually transmitted diseases, traumas, dental problems, social isolation and family dysfunction along with nutritional deficiencies. Without some kind of living or support mechanism in place these individuals may not be able to access or complete job training programs and change their lives for the better. It's difficult to send a veteran to school if he has no way to survive while he develops new skills. You can't train an individual with substance abuse problems until his/her substance abuse issues have been treated. The bottom line is that the need for comprehensive holistic programs can no longer be ignored. This approach using multiple agencies and their resources can be done and is the only way many of these veterans will ever have a chance at changing their lives around. In short, the individual who has been unemployed for a long period of time lacks a social margin at a time of life at which most people can expect to draw on that set of resources and relationships. In many cases the problems are so severe that job training is not even a viable alternative until other more immediate issues are dealt with and treated. What is the solution to this seemingly overwhelming problem? The answers are as multifaceted as the problems.

Agencies such as the Veterans Affairs have finally begun establishing programs specifically designed to meet multiple needs instead of education and job training alone. This includes a tremendous amount of networking with other dedicated agencies both private and state. These programs are focused on job training and employment but also provide all the support needed to make individuals involved in that training successful. Not all veterans will require housing or medical treatment, but it is available if needed. Survival needs are important and must be addressed. Job training programs should offer options such as:

- Remedial academics
- Complete testing and evaluation
- Math and English self-paced learning labs
- Literacy classes
- Vocations with good employment potential
- Computer literacy classes
- Individual case management
- Job placement

Bowdler and Barrell (1987) insist that "the holistic approach is necessary to provide insight into the full range of stressors affecting individuals with prolonged unemployment, and to provide comprehensive services for these individuals."¹

I would like to make some specific recommendations as they pertain to the material I have reviewed. Many types of employment may require some formalized education or training to access employment. The Veterans' Employment and Training Act of 1992 has nothing in place that would allow veterans access to academic programs or to pay for education needed to develop these job skills.

In addition, the younger veteran (newly discharged) who wants to access employment with growth potential and upward mobility in most cases cannot get employment that will offer him apprentice training in those occupations. Most of the fields offering growth and decent salaries require some college or specialized vocational training. What we need to encourage is the development of job skills in fields where we are projecting skilled worker shortages by the year 2000. (See attached data on fields of growth and jobs predicted to decrease by 2000.)

I would like to see the Veterans' Employment and Training Act of 1992 offering funds to access those colleges or vocational schools and not just given to employers to supplement salaries during job training. Veterans who are able to pay for schooling and receive appropriate training will have no problem finding employment. Can we assist these veterans in paying for educational programs?

I would also recommend that in Section 9, you allow for special training or education courses that may help a veteran learn new job skills when he has been hired by an employer. He may not be able to get complete training on the job. You only make allowances for \$1,500 to defray such work related expenses as the purchase of work clothes and tools, car or bus fare, and the provision of child care. Programs of apprenticeship employment are often criticized because they track veterans into occupations and income strata that may limit opportunity. We feel the mix of academics and applied learning can be structured carefully to allow for upward mobility

¹ Bowdler, J.E. (1989) Health Problems of the Homeless in America; Bowdler, J.E. and Barrell, L.M. (1987) Health Needs of Homeless and Unemployed.

and easy transition into the work place. This combination of work and studies appears to make it much easier for adults who have been out of school for long periods of time to learn new skills. It is also good motivation for a company to hire someone who will develop the skill he needs that may not always be provided by the employer. The veteran who requires less physical employment will need some type of formalized education or training in most cases.

Another concern would be the targeted veteran population that will be provided assistance under the Veterans Employment Act. Our main concern is that any veteran in need of such a program have access to it. It should no longer limit itself to Viet Nam Era or Korean veterans. With the increase of young veterans with early discharge from the military and the older veteran populations, we need a bill that will offer all these individuals employment opportunity.

I think that you will also need to be very careful that you are not duplicating what is already being offered by other programs such as JTPA, EDWAA, etc. What we need is a program that is truly focused on veterans needs.

Section 16 provides for the Secretary of Labor to establish a pilot program to provide employment services, including counseling and other assistance to homeless veterans. I think many VAs already have such programs in place. We would do better to support and expand on existing programs rather than duplicate services already available. This is cheaper and more effective.

Last but not least is the modification of work sites to enable employers to hire handicapped workers section 8. Most companies that the VA has contacted were more than willing to hire handicapped workers if they could perform work with some reasonable accommodation. The main problem, however, is that companies do not know what is available or how they might modify a work site to allow handicapped individuals to access employment. They usually need an expert to tell them what technical equipment is available and how they might adapt it to their needs. In addition, the individual who is handicapped usually will need training on the use of this special equipment beyond the expertise of company or industry. This bill does not cover or allow for costs involved to facilitate trainers or technical experts to help handicapped and companies work together.

I am grateful for any attempts to help this much needed veteran population. The above comments are not meant to criticize this bill. It is provided in hopes that a Veterans Employment Act will help address the critical needs of our veterans.

WHERE THE JOBS ARE ¹

BIGGEST PERCENTAGE INCREASES

Occupation	Percent of Increase
Paralegals.....	103.7
Medical Assistants and Nursing Assistants.....	90.4
Physical Therapists.....	87.5
Occupational Therapists.....	83.2
Physical and Corrective Therapy Assistants and Aides.....	81.6
Data Processing Equipment Repairers.....	80.4
Podiatrists or Assistants.....	77.2
Computer System Analysts.....	75.6
Medical Records Technicians.....	75.0
Employment Interviewers, Private or Public Employment Service.....	71.2
Computer Programmers.....	69.9
Radiological Technologists or Technicians.....	64.7
Dental Hygienists.....	62.6
Physician Assistants.....	56.7
RN and LPN.....	60.0
Retail Sales People.....	49.0
Janitors, Cleaners, Housekeepers.....	51.0
General Office Clerical (with good writing and verbal skills).....	61.2
Accountants, Accounting Clerks, Auditors.....	58.3
Food Preparation Workers.....	47.3
General Office Clerks.....	38.2
Technical Repair People.....	
Copy Machines, VCRs, Computers, etc.....	72.1
Security Guards and Law Enforcement People.....	48.2

¹ Data from Dictionary of Occupational Titles 1991-92 published by Department of Labor and U.S. News & World Report (Some of the fastest growing occupations to the year 2000).

Almost every one of these occupations has an academic component needed to access the employment. Many of these fields have a 6 months or one year certifica-

tion requirement from a college or vocational school to permit student to enter work force. Skills cannot be obtained by apprenticeship training or on the job.

SOME OF THE SHRINKING OCCUPATIONS TO THE YEAR 2000

<i>Occupation</i>	<i>Percent of Decrease</i>
PBX Installers, Repairers.....	-25.2
Textile: Machine Operators, Tenders.....	-26.4
Statistical Clerks.....	-26.4
Farmers.....	-28.1
Stenographers.....	-28.2
Chemical Plant and Systems Operators.....	-29.6
Chemical: Equipment Operators.....	-29.7
Telephone Station Installers, Repairers.....	-31.8
Shoe Sewing Machine Operators, Tenders.....	-32.1
Industrial Truck/Tractor Operators.....	-33.6
Gas, Petroleum Plant and System Jobs.....	-34.3
Railroad brake, Signal Switch Operators.....	-40.9
Electronic Semiconductor Processors.....	-51.1
Electric, Electronic Assemblers.....	-53.7
Machine Operators.....	-21.0
Retail Delivery Drivers.....	-22.3
Stock Clerks.....	-23.0
Payroll, Timekeeping Clerks.....	-25.1
College, University Faculty.....	-32.1
Child Care (Workers, Private Households).....	-30.1
Sewing Machine Operators, Clothing.....	-39.2
Warehouse Workers.....	-21.2

Many of the above occupations train on the job and do not require academic or vocational training. In many cases, this is the type of employment we are placing our veterans into. We need to look beyond short term employment objectives for our veterans and give them jobs that provide for stability and upward mobility.

STATEMENT OF C. DONALD SWEENEY, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES, INC.

Mr. Chairman and members of the Committee, thank you for the opportunity to comment on S. 2647: the "Veterans' Readjustment Benefits Improvement Act of 1992," and S. 2515: the "Veterans' Employment and Training Act of 1992." We applaud the efforts of Senator Cranston to enhance the effectiveness of the education and training programs for our Nation's military personnel, veterans and their dependents. We also applaud the efforts of Senators DeConcini, Graham, Akaka and Daschle to help our Nation's veterans secure employment and increase their ability to contribute to the quality of their lives, their communities and that of our Country.

COMMENTS ON S. 2647: VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992.

Our comments on this Bill will be divided into three parts; sections of the bill that we support, those that we do not and recommendations for either revision of or additional provisions in the Act. Please note that we have not addressed all of the provisions of the Bill, only those which either directly or indirectly impact State Approving Agencies.

PART I, PROVISIONS OF TITLE 1—EDUCATIONAL ASSISTANCE PROGRAMS THAT WE SUPPORT AND RECOMMEND PASSAGE.

1. Increase in Educational Assistance Allowance Available to Those Who Are Eligible for Benefits Under the Montgomery GI Bill.—Our support is based on the fact that current benefit levels do not provide adequate funds to cover school expenses; moreover, provide assistance with living expenses, especially for those who desire to attend school on a full-time basis. In addition, we believe that the current entitlement levels are a primary contributing factor to the low usage of the Montgomery GI Bill.

The proposed increases also would be more consistent with the educational assistance provisions of the previous GI Bills and the purposes of the Montgomery GI Bill which are to recruit and retain highly qualified individuals in the military services

and to provide support for adequate readjustment opportunities for those who separate.

2. Graduate Training for Members of the Selected Reserves.—Beyond parity, our support is based on our belief that the Montgomery GI Bill becomes a better recruitment and retention tool if it provides opportunities for individuals to further their education at all levels. This seems especially true in that the all volunteer military is now demanding a highly educated force and placing more emphasis on educational achievement levels for promotional purposes, particularly at the officer level. It only seems right that National Guard and Reservists have an opportunity to pursue graduate work, like their counterparts who are on full-time active duty.

3. Equal Benefits for Active Duty Servicepersons.—Our support is based on the fact that we believe that past prohibitions against the collection of VA benefits by active duty service persons at a rate equivalent to that received by veterans have been a disincentive for those who wish to further their education while on active duty, since there has been a disproportionate loss of entitlement when compared to benefits received. In addition, the cost of pursuing postsecondary education has escalated, especially over the last few years, making it much more difficult for active duty service persons to be able to attend school. Moreover, this has occurred especially during a time of decreasing tuition assistance offered by the military services.

4. Benefits After Three Years of Active Duty Service Even Though the Initial Period of Obligation Was for Less Than Three Years.—Our support is based on the fact that the total period of time that one serves their country should be the basis for GI Bill entitlement regardless of the length of the initial period of obligation.

5. Exception to the Requirement for the Submission of an Official Catalog by High Schools That Offer High School Completion Programs to GI Bill Eligible Persons.—Most high schools do not have any kind of formal catalog per se; however, all have written information on the courses that they offer as well as the policies that govern student participation. The compilation of the various documents available is sufficient for approval and benefit payment purposes.

6. No Charge for Change of Program for Pursuing a Second or Subsequent Program of Education if the General Educational, Professional or Vocational Objective Remains the Same.—This provision is in line with the federal government's desire to reduce unnecessary paperwork and in our judgment is not in conflict with the intended purposes of the GI Bills. In addition, it is consistent with the requirements of many occupations today in that multiple and diverse knowledges and skills are required in order to obtain and hold employment.

7. The Elimination of Standard Class Sessions.—We wholeheartedly support this move and believe that it is long overdue. Simply put, the requirement is archaic.

8. Equal Benefits for Eligible Persons Pursuing Non College Degree Programs at Accredited or Non Accredited Institutions.—The current requirement for either 25 or 30 hours per week at non accredited institutions, especially degree granting, is not consistent with the structure of current academic programs nor how those programs are delivered. The proposed revision to law is also consistent with the provision of this Bill that provides for the payment of benefits for pursuit of programs at institutions of higher learning based on the school's measurement system.

9. Refresher Training for Chapter 35 Eligibles.—Our support is primarily based upon our desire to standardize the provisions of each of the Chapters of the various GI Bills. We note that throughout the law, regulations and other guidelines, definitions for what constitutes remedial, deficiency and refresher training is confusing and not consistent with terminology used by the academic community. We suggest that this area be reviewed by the Committee at a later date.

PART II, PROVISIONS THAT WE DO NOT SUPPORT

The only section of the bill which we do not support is Section 112, no educational assistance allowance for independent study pursued at a non accredited institution. Our disagreement is based on the fact that, for payment purposes, as long as the program is approved by a State Approving Agency, benefits should be paid. The State Approving Agency should be assigned responsibility for determining the legitimacy of the objective of a program and the methods of instruction used to help students reach the objective. This is particularly important because some non accredited schools only offer a portion of their program through independent study. In addition, whereas most states have statutory requirements for institutions that desire to grant degrees, an evaluation of these non accredited programs already has occurred. Some schools, for example Bible colleges, do not seek accreditation irrespective of the high quality of the programs that they offer.

PART III, RECOMMENDATIONS FOR REVISIONS OF EXISTING SECTIONS OR NEW PROVISIONS
IN THE BILL

1. Elimination of VA Benefit Differentials for Independent Study and Other Non-traditional Types of Education and Training Offered by Accredited Institutions at the Undergraduate Level.—We support this proposal and believe that it will make the administration of the various GI Bills much easier for all parties concerned, without jeopardizing the integrity of the purposes and provisions of the GI Bills. However, we recommend that in order for benefits to be paid without regard to method of instruction, State Approving Agencies have responsibility for evaluating and approving each type of instruction as a type which merits payment of benefits the same as resident training.

2. Payment for Undergraduate and Graduate Work Pursued Simultaneously Based on School Standards.—We support this provision with the addition of the requirement that the combined program objective be approved by the respective State Approving Agency. This will help to maintain appropriate structure and purpose to the combine objective.

3. Payment of Benefits at Institutions of Higher Learning Based on the School's System of Measurement Rather Than the Department of Veterans Affairs.—We support this recommendation and believe that it will eliminate a lot of unnecessary paperwork without jeopardizing the quality of the education to be received by the eligible person and the integrity of the various GI Bills. There are many cases where non college degree students who attend degree granting institutions sit side by side in the same classroom with degree students for the predominate portion of their program. In other situations, many courses within non degree programs are assigned equivalent credit hours in accordance with national and generally accepted academic standards. We recommend the passage of this provision with the recommendations that [1] lines 21 through 25 of Section 113 (2) "Courses Not Leading to College Degrees" be deleted beginning with the word "except" and [2] the school's system of assigning credit or clock hours be approved by State Approving Agencies.

4. Payment of Benefits for Certified Nurse Assistant Programs.—We recommend that benefits be paid to eligible persons who wish to pursue Certified Nurses' Assistant training if an institutional program for the objective of nursing assistant is approved by the State Approving Agency and leads to a vocational objective that requires an examination of knowledges and skills and subsequent certification prior to practice in the State. Currently, an outdated regulation, 38 CFR 21.4265(b)(3), is the basis for denying benefit to GI Bill eligibles who wish to pursue this occupational objective. In recent years, most states have developed a prescribed curriculum and adopted a certification process for those who desire to work in this allied health area. They have done so, in part, because of the requirements of the federal Department of Health and Human Services. We will be happy to provide further information on this recommendation upon request from the Committee.

5. Additional Reliance on State Approving Agencies.—We note that a number of the concepts and provisions of the act are taken from the final report of the Commission to Assess Veterans Education Policy and the Department of Veterans Affairs response to the report. Therefore, in keeping with some of the other recommendations of the Commission, we also recommend that the Committee give further consideration to the Commission's recommendation that SAAs have authority for determining the legitimacy of a veteran's objective within the context of the law and regulations for professional, educational and vocational objectives and the authority for determining the legitimacy of the programs/courses and the delivery modes/methods of instruction necessary to achieve the objective. Much has been accomplished in this area already by language included in the various sections of S. 2647. However, further review of existing law and regulation needs to occur in order for the concept to be fully implemented. In addition, the concept is connected to another Commission recommendation that standardization occur throughout all of the provisions of the various GI Bills, including the administration of them.

COMMENTS ON S. 2525, VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992

First and foremost, we recommend that all program approval and related supervisory responsibilities be assigned to State Approving Agencies. This concept can be incorporated into the Bill by revising Sections 6 and 7 to the extent that Employer Eligibility (Section 6) and Program Approval Responsibilities (Section 7) be assigned to State Approving Agencies (SAAs).

SAAs have a long and successful history of working with employers to establish and maintain job training programs that have integrity and quality. The Bill recognizes the value of the criteria used by SAAs to approve programs in that the ap-

proval criteria for programs under this new Act is almost identical to that currently used by SAAs for other programs and by the fact that all programs currently approved under Section 3687 of Title 38 also meet the requirements of the Bill, Section 7(d). It also is important to note that automatic approval of a job training program under the provisions of Section 7(d) of this Bill could be a disservice to the veteran. Some employers, especially small firms are very restricted in their capacity to train prospective employees because of limited equipment and instructional/supervisory personnel. Thus, even a greater need for SAA involvement.

In the triad (VA, DoL and SAAs), DoL officials could work with employers and veterans to plan for the prospective job training program and with the DVA to counsel veterans on matters of a personal, family or career nature. However, SAA officials would work with employers on all matters pertinent to the program, beginning with the structure of it for approval purposes.

We also recommend the following changes or revisions to the Bill.

(1) Revise Section 8 to allow for the collection of up to \$10,000 per year by each employer for every veteran that they have enrolled in one of their job training programs. Since most employers will be receiving the 50 percent of wage maximum, we believe it is important to provide training opportunities to veterans in which they can faithfully participate without undue strain on themselves and/or their families; and

(2) Remove all prohibitions against a veteran collecting benefits under some other VA program while their employer is participating in this program. This revision will eliminate conflict and competition between job training programs under Title 38 for all concerned parties; the veteran, the employer, the VA, the DoL and SAAs. In addition, unlike the last Veterans Job Training Program, many of those who will qualify for this Act will be eligible for GI Bill benefits based upon their monetary contributions to Chapter 30. We suggest the retention of payments up to \$1,500 to veterans who are not eligible for GI Bill benefits.

In closing and in line with our primary recommendation that SAAs have responsibility for the approval and supervision of programs under this Act, we recognize that other parts of the Bill may need to be revised to be consistent with our primary recommendation. We are very willing to assist the members and staff of the Committee in performing this task, should the need arise. However, we believe that Sections 6 and 7 are the primary sections requiring revision.

Mr. Chairman and members of the Committee, we strongly believe that the effectiveness and integrity of this act will be greatly enhanced by the involvement of State Approving Agencies, working in concert with the Department of Veterans Affairs and the Department of Labor.

We would be happy to respond to any questions that you might have about our testimony or provide further information. Thank you for the opportunity to comment on S. 2647 and S. 2515 and for your many efforts on behalf of our nation's military personnel, veterans and their dependents.

U.S. SENATE,
Washington, DC 20510, May 22, 1992.

THE HONORABLE ALAN CRANSTON,
Chairman, Veteran Affairs Committee, Room 414, Russell Senate Office Building.

DEAR SENATOR CRANSTON: I am writing to follow up on testimony provided last week to the Veterans Affairs Committee by Donald Sweeney, the Maine State director of Military and Veterans Education and the legislative director of the National Association of State Approving Agencies.

One issue he addressed in his testimony and in subsequent correspondence with you concerns the payment of educational benefits to veterans enrolled in certified nursing assistant programs.

Under a VA regulation adopted in 1953 (38 CFR 21.4265(b)(3)), "enrollment in an institutional course for the objective of nurse's aid . . . will not be authorized" for veterans' educational benefits. Given the tremendous changes in the health care field in the past four decades, a blanket prohibition on using benefits for education to be a nurse aid is clearly anachronistic. Apparently recognizing this, VA regional offices do authorize benefits for some nurse aid programs on a case-by-case basis.

Because the VA does this outside the confines of the existing regulation, however, there are no objective standards upon which such case-by-case determinations are made. As a result, inconsistent determinations are made, often based on the VA reviewing official's personal knowledge and views. Moreover, appeals of regional office

denials can be rejected by the VA Central Office regardless of the merits since the regulatory prohibition is categorical.

In Maine, for example, there are three certified nurse aid programs, all of which meet the minimum requirements established by the State in accordance with HHS regulations. Two of these programs are VA-approved for veterans educational benefits, while one has been disapproved. The reason for this discrepancy is not any substantive difference in the programs but a change in the staff in the Togus VA Regional Office who review these matters.

Fortunately, there is an extremely simple means to correct these problems.

Last September, pursuant to the Omnibus Budget and Reconciliation Act of 1987, HHS issued regulations requiring States to establish minimum standards for nurse aid training (42 CFR Ch. IV, Part D, Section 483.152). I would urge the Committee include in an appropriate legislative vehicle a provision stating that a nurse aid program satisfying the standards of this regulation be deemed approvable for veterans' educational benefits.

This solution would create objective standards, conforming to contemporary health care practices, with which to evaluate nurse aid programs; minimize inconsistencies in VA approval of such programs; and get VA regional offices out of the legally tenuous position of deliberately evading an anachronistic regulation. Moreover, it would place essentially no burden on the VA or the States, which are already establishing nurse aid training standards in response to the HHS regulations.

Enclosed are materials related to this matter, including the existing VA regulation, the HHS regulation, and correspondence between Mr. Sweeney and the VA.

Thank you for your consideration.

With best wishes, I am

Sincerely,

WILLIAM S. COHEN,
U.S. Senator.

NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES, INC.,
DIVISION OF MILITARY AND VETERANS EDUCATION,
DEPARTMENT OF EDUCATION, STATE HOUSE COMPLEX, STATION #23,
August, Maine, May 15, 1992.

THE HONORABLE ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, 414 Russell Senate Office
Building, Washington, DC 20510.

THE HONORABLE ARLEN SPECTER,
Ranking Republican, Committee on Veterans' Affairs, U.S. Senate, 202 Hart Senate
Office Building, Washington, DC 20510.

DEAR SENATORS CRANSTON AND SPECTER: This is to request your assistance with the introduction and passage of legislation to allow the payment of VA educational benefits for enrollment in certain nurse aid courses.

Presently, 38 CFR 21.4265(b)(3) states that "Enrollment in an institutional course for the objective of nurse's aid or in a nonaccredited nursing course which does not meet the licensing requirements in the State where the course is offered will not be authorized." This regulation was enacted in 1953 and has been the cornerstone for the denial of VA benefits to eligible persons who are enrolled in programs or courses that lead to certain occupational objectives that fall below the Licensed Practical Nursing level of the nursing profession. The justification for the regulation and its subsequent application is that nursing related occupations, below the LPN level, do not require training that is significant enough to warrant their recognition as vocational or educational objectives under the provisions of Title 38, U.S. Code.

We believe that the application of this regulation is, to a large degree, outdated and contrary to the provisions of Title 38 which provide for payment of benefits to eligible persons who are pursuing legitimate educational, vocational or professional objectives. This judgment seems especially true since the enactment of Public Law 100-203, the Omnibus Budget Reconciliation Act of 1987. This law, among many things, set forth requirements concerning the training and competency evaluation of certain nurse aids. A more recent occurrence in support of our position was the finalization of 42 CFR Chapter IV, Subpart D—Requirements That Must Be Met by States and State Agencies; Nurse Aide Training and Competency Evaluation.

Based on the current federal and state requirements for certain nurse aids we believe that the objective of nurse aid can definitely be classified as a bona fide and

legitimate vocational objective which requires significant learning; certainly enough to warrant educational assistance under the various GI Bills.

We ask for your assistance with this matter and offer the following language for your consideration.

"Nurse aid programs that meet the requirements of Sections 4201 and 4211 of Public Law 100-203 shall meet the requirements of Title 38, United States Code, and be approvable for educational assistance purposes."

Senators Cranston and Spector, we thank you for your assistance and look forward to resolving the current dilemma that surrounds the ability of GI Bill eligibles to use their educational assistance allowance while pursuing certain nurse aid training.

We also thank you for your many efforts on behalf of our nation's military personnel, veterans and their dependents.

Sincerely,

C. DONALD SWEENEY,
Legislative Director.

DEPARTMENT OF VETERANS AFFAIRS,
MEDICAL AND REGIONAL OFFICE CENTER,
Togus, ME 04330, February 13, 1991.

MR. C. DONALD SWEENEY,
Director, Division of Military and Veterans Education, Maine Department of Education, State House Station #23, Augusta, ME 04333.

DEAR MR. SWEENEY: The Certified Nurse Assistant program offered at Sanford Public Schools, Adult Education, 2R Main Street, Sanford, Maine does not meet the requirements of VA Regulation 21.4265(b)3.

The VA Regulation 21.4265(b)3 states that enrollment in an institutional course for the objective of nurse's aid or in a nonaccredited nursing course which does not meet the licensing requirement in the state where the course is offered will not be authorized.

Please call Peter Hickey, Education Liaison Representative, at telephone number 623-8411 extension 5485, if you have any questions.

Sincerely yours,

HERBERT C. KONTIO,
Veterans Services Officer.

DEPARTMENT OF EDUCATION,
August, Maine 04333, February 26, 1991.

MR. HERBERT KONTIO,
Veterans Services Officer, Veterans Services Division (402/27D), Department of Veterans Affairs, Togus, Maine 04330.

DEAR MR. KONTIO: In response to your letter dated February 13, 1991, regarding the Certified Nursing Assistant program offered by the Adult Education Division of Sanford High School, I respectfully request a reevaluation of your decision to disallow enrollments in this program for VA benefit purposes because of the provisions of CFR 21.4265(b)3. This request is based on the fact that I believe your interpretation of this regulation is incorrect as it pertains to Certified Nursing Assistant (CNA) programs in Maine and specifically the one offered by San High School. CNA programs in Maine are regulated by the Maine State Board of Nursing; they lead to a legitimate vocation/occupation objective; require the acquisition of knowledge and skills that are specified by the nursing industry; and, are listed in the Classification of Instructional Programs Manual, published by the National Center of Education Statistics, as a recognized, formal program of instruction, Code Number 17.0602.

My understanding of CFR 21.4265(b)3 is that it was written many years ago to deny education benefits to eligible persons who were enrolling in short-term nurse aide courses that led to the acquisition of very basic knowledge and skills, were not formally recognized by the nursing industry, and did not lead to licensure or certification by states throughout the country. In recent years it has become more important for State Approving Agency and DVA staff to evaluate these types of programs/courses within the context of the complexities and levels of the nursing profession and each state's standards and requirements for those who enter this field of employment, if the application of CFR 21.4265(b)3 is to be correct.

It may be simply a matter of semantics. If so, the Sanford situation may reflect the need for us to address a larger issue—the need to revise an outdated regulation.

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Further, if your application of CFR 21.4265(b)(3) to the Sanford program is correct and congruent with other decisions of this type across the nation, which I do not believe to be the case, then I am convinced that this regulation is inconsistent with the letter and intent of the law that allows enrollment in legitimate programs of education that lead to recognized and bona fide professional, educational and vocational objectives. Thus, an even greater need for us to address the larger issue. In the meantime; however, I believe that our decision on the Sanford situation must be a judgment that is based on the facts as they are in 1991 and not on a narrow regulation that was written many years ago. In other words, the phrase "nurse's aide" does not encompass all of the formally recognized occupational areas below the Registered Nurse and Licensed Practical Nurse levels of the nursing profession.

I appreciate your assistance with this matter and look forward to an early response. Please let me know if I can provide additional information or further clarification.

Sincerely,

C. DONALD SWEENEY,

Director, Military and Veterans Education.

DEPARTMENT OF VETERANS AFFAIRS,
VETERANS BENEFITS ADMINISTRATION,
Washington, DC 20420, May 3, 1991.

DIRECTOR (00/27),

VA Medical and Regional Office Center, Togus, ME 04330.

SUBJ: Approval of Certified Nurse Assistant course (In reply to your request of March 5, 1991)

1. We have reviewed the curriculum you submitted which the Maine Department of Education (SAA) has approved for the vocational program of certified nursing assistant at the Adult Education Division of Sanford High School in Sanford, Maine.

2. 38 CFR 21.4265(b)(3) stipulates that enrollment in an institutional course for the objective of nurse's aide will not be authorized. This regulation is similar to the one written at the time of the Korean Conflict GI Bill to prohibit payment for these courses because the nature of the training offered was not similar in character to that generally offered in institutional courses leading to a vocational objective. There was no entry requirement for attaining a certain level of education; i.e., students could be accepted at any level of secondary training, and the courses were generally short-term, involving only basic skills and techniques, rather than more advanced or technical skills required in providing patient care. Most institutional courses leading to a vocational certificate require a minimum of six months, generally up to twenty-four months, of full-time training. The types of skills included in the nursing aide courses are generally those which may be learned on-the-job with minimal, if any, requirement for previous classroom training.

3. The Veterans Health Services and Research Administration (VSHRA), VA Central Office, reviewed this issue, and indicated that, although State requirements vary, generally the curricula for nurses' aide and nurses' assistant courses have not changed significantly since 38 CFR 21.4265(b)(3) was promulgated. Many States do not require a high school diploma or the equivalent for enrollment in a nurses' aide course. The skills taught in these courses are mostly basic, non-technical patient care activities; i.e., making packs, giving baths, etc. These courses are not generally accepted for credit towards licensed professional and registered nursing courses. Based on these comments, a change to the current regulation does not seem appropriate at this time.

4. We recently reviewed several nurses' aide and nurses' assistant courses offered around the country similar to the program in the Sanford Community Adult Education program. Although certificates, or in some States, licenses, are required for employment as a nurses' aide, the courses are approximately three months in length and provide training for a basic level of patient care.

5. Often when approval of a course is not appropriate as institutional training, the program may be approved as on-the-job training. Such an option is inappropriate for most nurses' aide programs, because of the requirement in 38 CFR 21.4262(c)(3), that the job customarily requires a period of training or not less than six months.

6. Your action of February 13, 1991, was correct. The approval is prohibited under 38 CFR 21.4265(b)(3) and available information does not warrant a revision of this regulation at this time. The SAA should be notified accordingly.

GRADY W. HORTON,
Director, Education Service.

NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES, INC.,
 DIVISION OF MILITARY AND VETERANS EDUCATION,
 DEPARTMENT OF EDUCATION, STATE HOUSE COMPLEX, STATION #23,
 August, Maine, December 19, 1991.

THE HONORABLE WILLIAM S. COHEN,
 U.S. Senate, 322 Hart Senate Office Building, Washington, DC 20510.

DEAR SENATOR COHEN: I am writing to request your assistance with the reversal of a Department of Veterans Affairs (DVA) decision, either through reinterpretation of an existing regulation or new legislation.

On February 15, 1991, I received a letter from the DVA rejecting my approval of a Certified Nurse Assistant program, for GI Bill purposes, offered by the Adult Education Division of Sanford High School. The basis for the rejection was 38 CFR 21.4265(b)3. A copy of this letter is enclosed.

On February 26, 1991, I requested a reevaluation of the decision to disallow enrollments in the Sanford CNA program for veterans benefits purposes. My request was primarily based upon the fact that CNA programs in Maine are regulated by the Maine State Board of Nursing, lead to a recognized and legitimate vocational/occupational objective, and require the acquisition of knowledge and skills that are specified by the nursing industry. In my letter I also requested that the appropriateness of 38 CFR 21.4265(b)3 be reevaluated in terms of conflict with the right of a GI Bill eligible person to pursue a legitimate vocational, professional or educational objective. Both my letter of February 26 and the DVA response dated May 3, 1991, are enclosed for your review.

In recent years, the development and expansion of Certified Nurse Assistant programs across the country have been escalated by a Department of Health and Human Services requirement for certification of Nurse Aids/Assistants who work at facilities where Medicaid and Medicare benefits are received. A quick poll of states has yielded that most, if not all, have specified instructional objectives to be achieved by CNA candidates and an examination process that leads to certification. Not all states refer to people in this profession as Certified Nurse assistants; the terminology varies, but the requirements for entrance into it are quite consistent.

For your reference, the interpretation of 38 CFR 21.4265(b)3 has not always been consistent. VA Regional Offices have accepted the approval of CNA programs in past years. There are, for example, two other CNA programs in Maine that were accepted for VA benefits several years ago.

Also enclosed is a copy of the Curriculum specified by the Maine State Board of Nursing for CNA programs. As you will quickly see, the knowledges and skills taught are certainly more complex than those indicated in paragraph 3 of the DVA letter dated May 3, 1991.

It is also important to note that the person applying for VA benefits through enrollment in the Sanford program was the spouse of a disabled veteran who was attempting to better herself and the lot of her family.

I appreciate your assistance with this matter and look forward to hearing from you. Please let me know if I can provide further information or assistance with your efforts to resolve this matter.

Sincerely,

C. DONALD SWEENEY,
 Legislative Director.

STATEMENT OF RONALD H. ATWELL, PRESIDENT, NATIONAL
 ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS (NAVPA)

Mr. Chairman and members of this committee, on behalf of the National Association of Veterans Program Administrators (NAVPA), I wish to thank you for the opportunity to present our views concerning Senate Bills 2647 and 2515. In addition, I have included some of NAVPA's concerns at the end of our testimony for your consideration.

S. 2647

Senate bill 2647 is a comprehensive effort to correct some long standing problems and inequities. NAVPA would like to applaud the authors of this legislation for presenting this package. To adequately comment requires that I address each individual item.

Sec. 101. Increase in Amount of Basic Educational Assistance.—Increases the Montgomery GI Bill (MGIB) basic benefit for active-duty servicemembers from \$350

to \$450 and the basic monthly benefit for reservists from \$170 to \$200, with proportional increases for part time study.

NAVPA strongly supports increasing the monthly entitlement for MGIB recipients. Education cost have risen substantially since implementation of MGIB. While the fifty dollar per month increase in 1991 was needed, it did not erase the gap which had formed. NAVPA also recommends that future monthly entitlements be automatically tied to the CPI.

NAVPA is also concerned with what we see as an inequity for individuals who receive benefits under Chapter 32. These individuals have not received an adjustment in their benefit entitlement since the programs inception. In addition, when Desert Storm legislation was passed last year, no increase in Chapter 32 was included. If PL 102-25 was an attempt to reward Persian Gulf participants, it was only partially successful. Many VEAP (Veterans Educational Assistance Program) eligible veterans also served in the Persian Gulf conflict, but this law failed to recognize them or to extend their benefits in any way. An amendment to retroactively include VEAP recipients in PL 102-25 seems the only equitable solution to this oversight.

To correct this inequity and increase the Chapter 32 benefits may be impossible or impractical. For that reason NAVPA recommends that all Chapter 32 servicepersons be given the option of enrolling in Chapter 30 and of having the required Chapter 30 contribution deducted from the Chapter 32 funds they have on deposit. This recommendation is in line with current force reduction policy for people who are released under certain circumstance and are allowed to enroll in Chapter 30 benefits. This includes members who were previously enrolled in Chapter 32.

NAVPA believes that this would also address another issue. In its report, the Commission to Assess VA Education Policy indicated throughout their report that we should strive for consistency throughout the programs, both legislatively and in the policy implementation process. With legislative actions occurring due to the down-sizing of the military, we continue to create programs out of existing programs which have the end result of confusing the military member, the education advisors, the military itself and the DVA. If we are to allow some selected active duty servicepersons to elect into Chapter 30 benefits, in the spirit of consistency, we should allow all groups to elect into the Chapter 30 benefit program. The consistency gained will go far to alleviate the confusion and misinformation that is bound to follow these selective activities.

If this committee finds that it cannot support conversions of Chapter 32 participants to the MGIB, NAVPA asks that an amendment to Public Law 102-25, "Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991," be enacted which would grant Chapter 32 recipients an increase in benefits comparable to those it legislates for MGIB recipients.

Sec. 102. Authority of Members of Selected Reserve to Pursue Graduate Courses of Education.—NAVPA strongly concurs. Not only would this provide additional incentives for Guard and Reserve members, it would also aid in the standardization of the various VA benefit programs. While not specifically stated, NAVPA assumes that these provisions would also apply to members of the National Guard.

Sec. 103. Authority of Members of Selected Reserve to Receive Tutorial Assistance.—NAVPA strongly concurs. Not only would this provide Guard and Reserve members with needed academic assistance, it would also aid in the standardization of the various VA benefit programs. While not specifically stated, NAVPA assumes that these provisions would also apply to members of the National Guard.

Sec. 104. Treatment of Certain Active Duty Service Toward Eligibility for Educational Assistance.—Provides that individuals who are discharged after less than 12 months of active duty and later re-enlist or later re-enter on active duty are considered to have had no prior active-duty service for MGIB eligibility purposes. Any reduction in basic pay during the initial period of service would be counted toward the \$1,200 pay reduction required for MGIB eligibility.

NAVPA concurs. In addition, NAVPA strongly opposes any effort to increase the monthly deduction from the current \$100 to \$117 as is proposed in Senate Bill 2380.

Sec. 105. Educational Assistance for Active Duty Members Pursuing Program of Education on More Than Half-Time Basis.—Permits active-duty participants in the MGIB to receive benefits at the same rate as veterans if the training is one-half time or more.

NAVPA concurs. The present policy reimburses active duty MGIB participants for tuition and fees at a rate which cannot exceed the monthly rate to which they would be entitled as veterans. However, Title 38 provides that a person will still be charged entitlement at the rate of attendance, regardless of the amount of benefit paid. This practice devalues the GI Bill for active duty students.

The VA has long maintained that the GI Bill is not a replacement for earnings when a person is pursuing an education. Most of our student veterans must maintain part or full-time employment to supplement the funds which they receive from the GI Bill. The supplemental costs of attending college for a servicemember do not differ from those costs incurred by a veteran, yet their rate of pay under the MGIB is significantly reduced.

Since much of the advertising done by the Department of Defense emphasizes the full dollar value of the GI Bill that their members will receive, it seems a matter of truth in advertising as well as equity to allow active duty servicemembers the same benefits as those received by their veteran counterparts under the MGIB.

Sec. 106. Educational Assistance for Certain Persons Whose Initial Period of Obligated Service Was Less Than Three Years.—Provides that an individual who initially serves a continuous period of at least 3 years of active-duty service, even though he or she was initially obligated to serve less than 3 years of active duty, is eligible for the same level of MGIB benefits as an individual whose initial obligated active-duty period was for 3 years or more.

NAVPA concurs. NAVPA would like to see this legislation taken one step further to ensure that individuals discharged voluntarily under early release programs do not forfeit Veterans Education eligibility.

Current law requires that servicemembers complete 20 months of a two year obligation or 30 months of a three or more year obligation to be eligible for Veterans' Education benefits. Unfortunately, a problem exists with regard to these individuals when they separate under early release programs to enter school, only to be informed by the VA that they are ineligible for education benefits. Once discharged these veterans have no means to correct the error. By law they do not meet eligibility requirements.

NAVPA'S position is that if an individual is honorably discharged by the military they have satisfied their obligation and should receive the education benefits for which they contracted. The military should not be allowed to discharge individuals early, and cause loss of benefits. In addition, NAVPA believes that VA education benefit eligibility should be established at time of discharge and that fact entered on the DD form 214 discharge document.

Sec. 107. Repeal of Advance Payment of Work-Study Allowance.—Eliminates the requirement for the Veterans Administration VA to pay work-study participants their work-study allowance in advance of the performance of services.

NAVPA does not support this legislative action. Expenses at the beginning of the term places great demands on students and the advance payments are considered a significant benefit by these students.

Work-study allowances in the past were limited to maximum contracts of 250 hours. A student was paid an advance of 40% of the contract to help with expenses incurred at the beginning of the term. With recent legislation, the size of work-study contracts increased to 25 hours per week for the length of academic terms, to a maximum of 400 hours. The 40% advance policy allows these students to receive advance payments for 160 hours.

We do recognize that an advance of 160 hours may place a burden on the student who must then go a long period before becoming eligible for the next payment. The DVA has also indicated a problem with the creation of overpayments as a result of these sizeable advances.

If advance payments must be reduced, NAVPA recommends that work-study students be allowed an advance payment for the first 50 hours of their work-study contracts in order to help defray expenses incurred at the beginning of a term.

Payment of a 50-hour advance would still help the veteran student offset expenses at the beginning of the term without creating such large potential overpayment and without pushing the next payment so far into the future.

Sec. 108. Revision of Requirements Relating to Approval of Accredited Courses.—Modifies the accredited school approval requirements by (a) repealing the requirement that elementary and secondary schools furnish a copy of a catalog for approval of an accredited course by a State approving agency (SAA), and (b) adding a requirement that schools that have and enforce standards of attendance must submit these standards to the SAA for approval.

NAVPA concurs.

Sec. 109. Bar of Assistance for Persons Whose Education Is Paid for a Federal Employee Training.—Eliminates veterans' educational assistance for a course paid for under the Government Employees Training Act.

NAVPA concurs.

Sec. 110. Treatment of Advance Payments of Certain Assistance to Veterans Who Die.—Provides that the effective date of termination of an educational assistance al-

lowance by reason of the death of the payee of an advance payment of assistance would be the last date of the period for which the advance payment was made.

NAVPA concurs.

Sec. 111. Clarification of Permitted Changes in Programs of Education.—Allows a student who successfully completed a program of education with VA benefits to pursue another program of education and allow a change in the type of training pursued if there is no change in the vocational objective.

NAVPA questions the purpose of this legislation since the limitation on the number of changes of program was removed in 1990. We are concerned with the purpose of DVA's recommendation and want to go on record as strongly opposed to any effort by the DVA to re-institute any limits on changes of program. It is our experience that the vast majority of today's veterans make very few changes in their educational goals. And, when they do, it is for valid educational reasons, or it is beyond their control. Providing the DVA with additional evaluation criteria will accomplish little more than delaying benefits while they (DVA) complete the evaluation. We believe that DVA's time would be better spent processing claims, awarding benefits and counseling veterans. NAVPA recommends that references to changes of program be deleted from Title 38.

Sec. 112. Disapproval of Non-Accredited Independent Study.—Prohibits the use of benefits for non-accredited independent study.

NAVPA concurs with prohibiting the use of benefits for non-accredited independent study. Our only concern would be provisions for possible accreditation in the future.

Sec. 113. Revisions in Measurement of Courses.—Amends course measurement requirements to: (a) eliminate the benefit differential for independent study and other non-traditional types of training in accredited undergraduate degree programs that have been approved by State approving agencies; (b) eliminate the standard class-session requirements; (c) base payments for concurrent pursuit of graduate and undergraduate training on the training time certified by the school, rather than the current conversion computations; (d) replace a complex statutory measurement criteria for the payment of benefits for pursuit of courses at institutions of higher learning with a benefit based on the schools measurement system; and (e) eliminate the benefit differential for accredited and non-accredited, non-college-degree courses.

Item (a): NAVPA most strongly supports legislation to change the current measurement policies. NAVPA firmly believes that educational institutions, accrediting associations and the State Approving Agencies are in the best positions to judge the quality and appropriateness of educational programs. Those programs judged by these groups to lead to a valid educational objective should be approved for payment of VA benefits on the basis of progress made toward the objective; however that progress is measured. With that in mind, there should be no arbitrary distinctions in the treatment of NCD and degree training.

Item (b): NAVPA strongly supports the Commission's recommendation that VA use the standard measure of progress toward a degree—the credit hour—as the basis of payment of benefits. The calculation of standard class sessions is cumbersome, confusing, and often results in the inequitable payment of education benefits. Students who make comparable progress toward their degree objectives are not comparably paid, simply because of differences in the formats of their courses. Allowing educational institutions to certify all students based on their movement toward a degree objective would eliminate this inequity.

Item (c): NAVPA agrees that the current system of measuring graduate training for concurrent pursuit of graduate and undergraduate training should be based on the training time certified by the school, rather than the current conversion computations.

Item (d): NAVPA most strongly recommends and supports changing the current statutory measurement criteria for the payment of benefits. The current system, which evolved over many years, bases benefit payments upon classroom attendance. Educational institutions have changed, as have education methods, and it is time to recognize these changes. If a student completes twelve (12) semester hours during an enrollment period, they should receive full time benefits for that enrollment period. This should be true regardless of the exact dates of class attendance, or the methods and modes of instruction. Again, benefits should be based upon the standard measurement of the institution.

Item (e): Finally, NAVPA supports the elimination of the benefit differential for accredited and non-accredited, non-college-degree courses.

Sec. 114. Refresher Training for Survivors and Dependents.—Permits refresher training for children whose education was interrupted or impeded by reason of disability or death of a parent who is a veteran.

NAVPA concurs. Refresher training, especially in the core courses and for technical or scientific areas of study are necessary. NAVPA believes that under certain circumstances there should be no charge to entitlement, as in cases where education was interrupted or impeded by reason of disability or death of a parent who is a veteran.

Sec. 115. Eligibility of Certain Officers for Educational Assistance.—Permits participation in the MGIB for individual who after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or upon completion of a senior ROTC program (under section 2107 of title 10, United States Code).

NAVPA concurs. NAVPA understands budget realities, however, we would encourage the application of this provision to all military academy and ROTC graduates.

Sec. 201. Permanent Programs of Vocational Rehabilitation for Certain Veterans.—Makes permanent and voluntary the programs of vocational evaluation and training for pension recipients and of 3-year protection of VA health-care eligibility for veterans who lose their pension due to employment income.

NAVPA has no position of this issue, but supports any legislation beneficial to veterans.

Sec. 202. Trial Work Periods and Vocational Rehabilitation for Certain Veterans With Total Disability.—Makes permanent the programs of 12-month trial work periods and vocational rehabilitation outreach for veterans with total disability ratings based on individual unemployability.

NAVPA has no position of this issue, but supports any legislation beneficial to veterans.

Sec. 204. Increase in Subsistence Allowance for Veterans Receiving Vocational or Rehabilitative Training.—Increase by 10 percent the subsistence allowance for veterans with service-related disabilities who participate in a training and vocational rehabilitation program under chapter 31 of title 38, United States Code.

NAVPA has no position of this issue, but supports any legislation beneficial to veterans.

Sec. 205. Vocational Rehabilitation for Certain Disabled Veterans With Serious Employment Handicaps.—Restore vocational rehabilitation for veterans rated 10 percent disabled who the Secretary of Veterans Affairs determines have serious employment handicaps resulting from that disability.

NAVPA concurs. We strongly support granting Chapter 31 benefits, on a case-by-case basis, to veterans with a 10% disability rating who also demonstrate a severe employment handicap. In addition, NAVPA wishes to go on record as being in strong opposition to any effort to raise the minimum disability rating for Chapter 31 eligibility from its current level of 20% as is proposed in Senate Bill 2380.

Sec. 206. Treatment of Certain Applications for Pension and Disability and Indemnity Compensation.—Provide that, where a new application for pension or for parents' dependency and indemnity compensation is filed within one year after renunciation of that benefit, the application shall not be treated as an original application and benefits will be payable as if the renunciation had not occurred.

NAVPA has no position of this issue, but supports any legislation beneficial to veterans.

Sec. 301. Improvement of Disabled Veterans' Outreach Program.—Expands the formula for the appointment of disabled veterans' outreach program specialists to include Vietnam-era veterans, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975), and disabled veterans.

NAVPA has no position of this issue, but supports any legislation beneficial to veterans.

S. 2515—VETERANS' EMPLOYMENT AND TRAINING ACT OF 1992.

Authorize the establishment of job training programs for unemployed veterans and persons who have been recently separated from the Armed Forces, to pay certain assistance and benefits to employers of such veterans and persons, such veterans, and such persons to defray certain costs relating to the provision of such training and for other purposes.

NAVPA has no direct involvement with this legislative issue. However, we are concerned about veterans employment and support any legislation beneficial to the veteran. With that in mind, NAVPA is pleased to see a new job training act, especially one with provisions for education. We would suggest that up front education and training might also be included. Many unemployed veterans lack the entry level skills required as prerequisites for the formal training programs offered by

many companies. Employers may be reluctant to hire individual who lacks these basic skills.

The following comments are inputs for the University of Central Florida's, Defense Transition Assistance Office. These individuals work closely with the Transition Assistance Programs (TAP) being conducted at various military installations within the State of Florida.

Sec. 5. Eligibility of Veterans for Participation in Job Training Programs.—The specified 10 weeks from date of separation when eligibility ends is considered inadequate.

The character of discharge is not specified, i.e., "honorable or general."

The maximum entitlement of \$5,000 per year may be inadequate to entice the "high tech" employers.

Recommend a specific dollar amount for work related expenses, rather than leaving it open for interpretation.

The authorization does not cover program advertising or individual counseling costs.

Analyzing funding over the five-year cycle, with overhead rates approximately 40%, the number of veterans served would be less than 6,000 in the low year. With this overhead rate, approximately 48,000 veterans (total) would be served over the five year program life cycle. With the impending drawdown expected to bring end strength to 1.6 million, the program would support approximately 24% of the veterans. With the end strength reduced to 1.2 million, only 8% of newly discharged veterans would be served in this worst-case scenario. Of course this is only looking at it from the active force side, and does not take into account the current unemployed veterans. To meet the need, the authorization needs to be raised or substantially increased.

Other Legislative Concerns.—The DVA recently submitted its final report to the Congressional Commission to Assess VA Education Policy. Many of the legislative actions contained in Senate Bill 2647 are based upon the VA Commission report and DVA's recommendations. However, NAVPA believes that there are additional issues which should be addressed.

VA Congressional Commission.—NAVPA recommends that an on-going Commission to assess VA Education Policy be authorized by Congress. Within all of reports of the Commission, the VA, the VA Task Force and Congressional testimony is the recognition of the monumental steps which have been taken in the clarification, simplification, and standardization of VA education benefits. Also recognized is the need for further discussion on many issues which have not been resolved and which should continue to be examined. The progress seen as a result of the current Commission should not be lost by a failure to continue looking at issues and striving for improvement.

Title 38 Re-write.—NAVPA strongly supports the recommendation to re-write Title 38. We further recommend that members of the educational community, an internal VA committee, and an on-going Commission be utilized when a re-write of Title 38 is undertaken. The current regulations are difficult for VA employees and school officials to understand, and nearly impossible to explain to the student veteran. Within the VA Task Force report is an Appendix listing necessary revisions and pin pointing some of the areas which would require a re-write.

Standardization.—We support the recommendations of the Commission and the VA Task Force that VA education programs be standardized, with the exception of Chapter 31. Revisions to education programs should reflect the most recent Congressional thinking on benefits delivery. In its interim response to the Commission recommendation on standardization, the VA agreed that a task force of adjudicators and education liaison representatives be charged with compiling a listing of the differences in current law.

That task force found that the advantages of standardization would be substantial for the Department of Veterans Affairs and for the educational community at large. ("Report of the Special Task Force on Veterans' Education Policy," March 1990.) The task force made reference to six different computer programs which are employed to administer VA education programs. Adjudicators are required to know the details of each education program, as well as the individual computer programs. This complicates and slows claims processing.

Transitional Assistance Program (TAP).—NAVPA asks that legislation be enacted to ensure that servicemembers being separated under the force reduction program be provided career counseling as part of the Transitional Assistance Program (TAP) prior to the date of separation.

Currently the main focus of the Transitional Assistance Program (TAP) and the Army's ACAP is on employment and job finding skills. While employment is a criti-

cal factor, NAVPA believes that emphasis must also be placed on career enhancement through education and training. Other than explaining MGIB (or VEAP) eligibility criteria and entitlement levels, little information on education benefits is provided. Given the current levels of unemployment we believe it unfair to leave the veterans with very few identified options other than finding a job or going on unemployment. The result is increased unemployment rolls, or under employment in jobs that offer no career opportunities. NAVPA believes that by offering career counseling on the training options and opportunities available, the veteran will be better prepared to ultimately become a productive fully employed individual. Some states, such as Florida, have made efforts on their own in this area. We believe that other states and educational institutions would become willing partners, but the DOL, DVA and DOD must make career counseling and development a priority agenda item.

Reporting Fees.—NAVPA strongly supports the Commission's recommendation to increase the amount of reporting fees paid to educational institutions on an annual basis.

NAVPA could support the DVA's recommendation that the amount of the fee be based on a scale, rather than on head count, only under the following conditions:

1. all schools receive an increase in reporting fees, regardless of the number of veterans, in response to the increased cost of provision of certification services;
2. the count include all individuals certified during the year, with IHL's having the right to validate the count;
3. the count be taken of individuals certified, not just of those whose award action occurred on or before October 31.

Currently, reporting fees are paid only for those individuals for whom actual award action has occurred as of October 31. Individuals whose claims have not yet been received or whose claims have been received but are still in adjudication are not included. Nor does it include individuals whose enrollment initially occurs after October 31. Depending on the efficiency of the regional offices and on the institution's ability to attract students at non-traditional times, the number of omissions can be significant.

It is our belief that a later "census date" would be fairer and would significantly reduce the amount of time required by both VA and IHL staff to amend the list and issued second (and sometimes even more) checks.

I thank you very much for the opportunity to submit this written testimony to the Senate Veterans' Affairs Committee. My colleagues and I commend the work that has been done by this committee to improve and ensure the success of Veterans Educational Assistance programs.

STATEMENT OF JOAN C. ALKER, ASSISTANT DIRECTOR, NATIONAL COALITION FOR THE HOMELESS

Thank you for inviting us to submit written testimony on Senator DeConcini's proposed legislation, S. 2515. I will focus my comments on Section 16 of the proposed legislation—the "Pilot Program of Employment Services for Homeless Veterans."

The proposed pilot is a \$5 million demonstration program which would award grants to nonprofit entities to provide employment assistance to homeless veterans.

The National Coalition for the Homeless believes that the establishment of a new demonstration program to provide employment services to homeless veterans is not warranted because such a program already exists—the Homeless Veterans Reintegration Projects (HVRP). This program was authorized as part of the Stewart B. McKinney Act's Job Training Demonstration program in 1987. The grantees have been successful in providing job training to homeless veterans, but the program has been vastly underfunded, with an authorization level of only \$2.2 million. Establishing a new program which is not appreciably different from an existing program makes little sense and would cause unnecessary delays in any new resources reaching the streets and impose unnecessary administrative burdens on the Department of Labor.

Thus it is our recommendation that the most expeditious and effective way of providing additional job training services to homeless veterans would be through substantially increasing the authorized and appropriated levels of funding for the McKinney HVRP program—as is proposed in S. 2512.

STATEMENT OF WILLIAM D. ELMORE, LEGISLATIVE DIRECTOR, NATIONAL COALITION OF HOMELESS VETERANS SERVICE PROVIDERS

Mr. Chairman, Senator DeConcini, other members of the Committee. On behalf of the National Coalition of Homeless Veterans Service Providers (Coalition) I am pleased to have the opportunity to present our view for your consideration.

First let me state we are grateful for the interest shown by this Committee in the development of this important legislative effort. Many members of our Coalition have up to twenty years experience in the delivery of services to homeless and unemployed veterans. In the last decade, all of our members have experienced enormous increases in the demands for our services from homeless veterans. Conversely, we also see on the horizon a dramatic pending need for employment, and self employment assistance for soon to be discharged veterans, and former military personnel.

I will begin with an overview of what I see as an inherent weakness in the design of this Bill. Most of the resources in this legislation are directed toward incentives for employers to train veterans, and for employers to make accommodations to the workplace for disabled veterans. Both worthy ideas, and important. However, there is little provision for the support of a delivery system to identify prospective employers, identify and assist unemployed veterans, and most critically serve as the common middle ground to link prospective employers with prospective employees.

As written, this legislation ignores experience, and is destined to impact smaller numbers of veterans than might otherwise be assisted. My specific concerns are as follows:

(1) I believe it is an error to focus the entirety of this Bill on subsidies for employers. Many times, when subsidies are used to create employment opportunities, after the subsidies end, the job ends as well. This approach provides assistance to the employer and the veteran for a period of time, but when all is said and done, the veteran finds him or herself without employment as the end product;

(2) Use of Federal dollars to create incentives for employers to hire veterans will create unnecessary barriers to some businesses involvement in the hiring of veterans. My personal experience is that many veteran-owned businesses, and many emerging small business owners are reluctant to interact with programs sponsored by the Federal Government. Accurate or not, their perception is that if they accept Federal dollars to hire and train veterans, their business may then be subject to intrusive overview by the Government. This perception serves as a real disincentive for participation in an employment program;

(3) In an era of limited resources to assist unemployed veterans, I believe it a mistake to devote so much of the resources to the employers. Every year, thousands of veterans are not provided employment-finding assistance. DVOP and LVER personnel are unable to assist the vast majority of veterans who seek their assistance. The network of Community Based Veterans Organizations (CBVO) are underfunded and are faced with overwhelming numbers of veterans looking for work.

Networks of small and veteran-owned businesses are never solicited for employment opportunities for veterans. There is no adequate system in place to work with, prescreen, and link unemployed veterans with job opportunities in the private sector. By directing all the resources in this legislation toward the employers without strengthening the veterans service delivery system, you only increase the burden on an already overwhelmed system. You also continue to miss an opportunity to develop a real network of private employers to benefit present and future unemployed veterans. Subsidies to employers to hire veterans can be a good tool. But subsidies to employers as the entire focus of this Bill does not present the most effective means to assist and employ large numbers of veterans.

SECTION 16. PILOT PROGRAM OF EMPLOYMENT SERVICES FOR HOMELESS VETERANS

The following comments are provided in reaction to the contents of Section 16 of the Bill.

We support the provision of employment, counseling and other assistance to homeless veterans. We urge that you direct the Secretary of Labor to seek the Coalitions input in the development of the counseling and other assistance provisions of this Bill. In Paragraph (2), we believe it is critical that the Secretary "contract directly" with Community Based Organizations (CBO) that have special expertise or experience in the provision of employment, counseling and other assistance to homeless veterans. We also believe that "contract directly," should mean the elimination of State and Local Government serving as the recipient of the Grant, and

then sub-contracting to the CBO. Our experience is that when State of local government serves as the flow through for grants, Administrative moneys are siphoned off, and a needless layer of politicizing is interjected into the delivery of services that only serves to complicate our efforts.

(b) Funding Limitation. We urge consideration by this Committee for an increased level of funding above the \$5,000,000 a year envisioned in this Bill. This consideration should be based on the fact that homeless veterans comprise approximately one-third of our nation's homeless persons. This startling fact, coupled with the fact that for a program to effectively assist homeless veterans requires a comprehensive delivery model that focuses on self help, outreach, counseling, employment assistance, transportation, housing and follow up. We also urge your consideration for directing the Secretary of Labor to contract for multi-year programs with Community Based Organizations. Multi-year grants would allow organizations to concentrate on building effective programs instead of spending an inordinate amount of time closing out last years contract, while at the same time searching for next years funding stream.

The following comments are provided on specific page by page portions of the Bill.

Page 2, Sec. 2—Add a statement relating to direct (unsubsidized) job placement for veterans.

Page 14, (A)—Add the number of veterans retained following training, and the number of veterans provided direct job placement assistance.

Page 23, (d)—Is the veteran not entitled even if the termination occurs through no fault of the veteran? You should consider some waiver of overpayment if not the fault of the veteran.

Page 24, (f)—Broaden this definition to include housing, books, licenses and background checks.

Page 28, (b)—Allow veterans who have completed a program of job training or under VJTA to receive direct job placement assistance.

Page 30, (2)—Add Community Based Veterans Organizations as providers of Case Management services, and pay for counseling under (ii).

Page 33, (D)—Add Community Based Veterans Organizations.

Page 36, (b)—Add Community Based Veterans Organizations.

Page 37, (b)—Add the Department of Veterans Affairs Contractors.

In closing, we are pleased not only by the initiative shown by the Committee, its members, and staff. But also by the interest in allowing input by our organization and its affiliates into this process. Should you have any questions regarding any of what we have presented, please let us know.

Mr. Chairman, thank you.

STATEMENT OF LT. GEN. LA VERN E. WEBER (RET.), EXECUTIVE DIRECTOR, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

The National Guard Association of the United States appreciates the opportunity to present testimony on S. 2647, the Veterans' Readjustment Improvements Act of 1992 and S. 2515, the Veterans' Employment and Training Act of 1992.

On behalf of the men and women of the National Guard, we want to thank the Senate Veterans' Affairs Committee, and the Congress as a whole, for working so quickly and decisively last year during the Persian Gulf conflict to make necessary adjustments to existing statutes and to extend and adjust the rights and benefits of the personnel serving in the Armed Forces, to include the National Guard and Reserve personnel called to duty.

As a result of the recent mobilization and deployment of the National Guard and Reserve, a significant number of National Guard and Reserve personnel have become eligible for veterans benefits. The changes in existing programs that are proposed in the two bills under consideration will have a positive influence on the lives of many service members and veterans.

The Veterans' Readjustment Improvements Act of 1992 (S. 2647) affects the National Guard in several ways. First, S. 2647 increases the benefits for the title 10, Selected Reserve Montgomery GI Bill by raising the amount of payments, providing benefits for graduate level studies and for tutorial assistance. The National Guard community has sought the expansion of education benefits to include graduate studies for a number of years. This change to the MGIB will provide enhanced educational and employment opportunities in a highly competitive world; and the proposed change will have important and positive results in the lives of National Guard personnel. With continually rising tuition costs, the increase in educational

benefits payments brings welcome relief. We enthusiastically support these adjustments.

Permitting participation of military academy and ROTC graduates in the MGIB is another provision of the S. 2647 which is particularly pertinent to the National Guard. Historically, many of the officers in the Army National Guard and an increasing number of officers in the Air National Guard are commissioned through the ROTC program. The provisions of S. 2647 that authorize continuing education benefits for ROTC graduates encourage serving on active duty, or active participation in the Selected Reserve rather than reverting to a holding pattern in the IRR.

The Veterans' Employment and Training Act of 1992, S. 2515, is a comprehensive proposal that addresses a number of critical issues for the individual veteran and America as a whole—unemployment, occupational retraining and homelessness. The drawdown of the Armed Forces—Active, National Guard and Reserve—is a complicating factor in an already sluggish economy. Many of the individuals, who volunteered for careers in the military service, will be required to pursue new careers. The Congress passed separation benefits packages for active duty service members last year. These benefits were aimed at easing the transition into civilian life. The bill under consideration by this Committee goes one step further in the process of transition by providing training and retraining opportunities.

Employer hardships and expenses are also considered and addressed in S. 2515. The Bill provides sound incentives for employers to hire and train disabled veterans, unemployed veterans and individuals being separated from military service. Experience has demonstrated that the responsibilities of military service and discipline produce good employees. With the rapidly changing technologies and markets, the skills acquired during military service may not match job market requirements. Veterans' training/retraining programs bridge those gaps at a reasonable cost to the employer.

One element that we would like the Committee to consider including in S. 2515 is training/retraining opportunities for members of the National Guard, particularly full-time support personnel of the National Guard title 32 Active Guard/Reserve program. The force structure cuts facing the Army National Guard over the next five years are substantial. The Armed Services Committees are taking a serious look at separation benefits for members of the National Guard who are facing the same premature curtailment of their military careers as their active component counterparts. The full impact of the force structure cuts on members of the National Guard and Reserve is not obvious; but many of the personnel who will be forced to leave have put in years of dedicated service. Like the soldiers and airmen on active duty, they have structured their financial lives around the expectation of a career in the National Guard and made decisions for the future of their families based on current income and retirement benefits after age 60. Loss of National Guard affiliation, which for many is both avocation and vocation, requires these personnel to face career transitions.

The National Guard Association applauds the efforts of this Committee in improving benefit and adjusting programs for those who have performed military service and for the employers who recognize the value of military service. However, we have some concerns regarding coverage and limitations primarily in request to AGR benefits. Our comments are meant to raise those concerns for review by the legal and technical experts working the bills.

The two bills under consideration by the Committee would provide important and varied resources into the hands of individuals who have been dedicated to the service of their country, some of whom have incurred permanent disabilities in the course of that service. We strongly support the direction of the proposed legislation. We believe the proposed bills will strengthen the current programs as well as the quality of life for all veterans.

STATEMENT OF RICHARD W. JOHNSON, DIRECTOR OF LEGISLATIVE AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman, the Non Commissioned Officers Association of the USA (NCOA) sincerely appreciates this opportunity to share with the committee its views on S. 2647, the Veterans' Readjustment Benefits Improvements Act of 1992 and S. 2515, the Veterans' Employment and Training Act of 1992. Before commenting on the legislation, NCOA extends its thanks to the committee and to the sponsors of the legislation for the effort set forth in improving these benefits for veterans.

The Veterans Readjustment Benefits Improvement Act of 1992, S. 2647, covers a broad range of subjects including education rehabilitation and employment programs for veterans. Perhaps the best way to organize NCOA's comments on the bill is by sectional analysis.

Section 101 of the bill seeks to increase payments under the Montgomery G.I. Bill from \$170 to \$200 for reserve service and from \$350 to \$450 for regular service. Other provisions of this section would increase the critical skills "kickers" contained in the law.

NCOA supports the proposed increases but believes even larger increases are warranted. Briefly stated, \$450 is significantly less than the value of benefits in prior veterans education programs. Because of the reduced value of the Montgomery G.I. Bill by comparison with its predecessors, many veterans will be unable to attend school full time. Prior G.I. Bills offered monthly stipends sufficient to allow veterans an opportunity to avoid seeking full time employment. As a result, generations of veterans forced from service during prior military manpower reductions had an opportunity that is being denied today's veteran. The Association asks the committee to authorize, at this time, additional increases to \$550 in 1993, \$650 in 1994 and \$750 in 1995.

NCOA strongly supports the provisions of Sections 102 and 103 authorizing graduate training and tutorial assistance for reservists under the Montgomery G.I. Bill.

Mr. Chairman, such opportunities should never have been denied reservists when the program was created. We strongly support their inclusion in the bill. Concurrently NCOA asks the committee to review the high school diploma requirements contained in Chapter 30. Prior G.I. Bills provided for the remedial education of non-high school graduates without charge against G.I. Bill benefits. It would be in the best interest of both veterans and the nation to make this opportunity available under the Montgomery program. Even if Congress restricts subsequent post-secondary training for these veterans, at least they would have a high school diploma to show for their \$1,200 pay forfeiture.

Section 104 of the bill would allow veterans who are discharged after less than twelve months of service, who subsequently reenlist or reenter active duty, to credit pay forfeitures made during prior service toward qualification for the MGIB. Mr. Chairman, NCOA has always believed that there should be no forfeiture of pay to gain education benefits. The Association further believes it is criminal to keep money taken from those who are disqualified from using those benefits. This provision will allow some veterans to salvage otherwise lost benefits. It has NCOA's full support.

Section 105 of the bill allows active duty servicemembers to receive MGIB payments at the same rate as post service veterans. NCOA fully supports this provision. Association members have frequently complained that the need for part time employment income has precluded education opportunities. By allowing in-service veterans to receive full education benefits, many will be able to give-up part-time employment in favor of continuing their education.

Section 106 addresses a matter of equity, authorizing benefits based on three years of service to all who serve for three years. Under current law, those who enlisted for two years are eligible for reduced benefits even if they subsequently serve for a longer period. NCOA supports this provision and recommends the committee expand the provision in reverse to protect servicemembers who accept Voluntary Separation Incentives or Special Separation Bonuses. Although VSI and SSB separations are voluntary, their ultimate purpose is to allow the services to achieve manpower reduction goals. Hopefully the committee will allow these veterans some protection too.

NCOA has no objection to Section 107 repealing advance payment of work-study allowances.

Section 108 proposes to modify accreditation requirements for elementary and secondary schools. NCOA has no objection to the change.

Section 109 would bar the payment of veterans educational assistance benefits if the course is paid for under the Government Employees Training Act. NCOA does not support this change for several reasons. Foremost it sets a dangerous precedent in controlling how a veteran elects to use his or her benefits. Also, the veteran has purchased the benefit through pay forfeiture—thus the veteran should be able to decide when and under what circumstances to use the benefits. Finally, to accept government employee training many veterans must give-up part time employment. G.I. Bill benefits can help offset such income loss and make it possible for veterans to achieve higher education goals.

Section 110 of the bill would provide indebtedness relief to the next-of-kin of a veteran who was enrolled in training by modifying the training termination date. NCOA fully supports this change.

Section 111 of the bill would liberalize the change of program restrictions in current law in a manner supported by the Association.

NCOA also supports the provisions of Sections 112 and 113 of the bill which would liberalize and modernize course measurement requirements.

Section 114 would authorize refresher training for children receiving benefits under Chapter 35 if their training was interrupted by the death of a parent. NCOA supports this change.

NCOA has no position on Section 115 concerning the treatment of officers.

Section 116 contains technical amendments which NCOA supports.

Sections 201, 202, and 203 seek to make permanent several temporary provisions of law concerning the employment and medical care benefits of vocational training and pension recipients. NCOA supports these provisions.

Section 204 proposes to increase vocational rehabilitation training allowances by ten percent. NCOA fully supports the increase.

Section 205 proposes to reinstate vocational rehabilitation benefits for veterans whose disabilities, rated at ten percent, present a serious employment handicap. Mr. Chairman, this is a benefit NCOA believes should never have been restricted. The Association strongly supports its reinstatement.

NCOA has no objection to Section 206 of the proposal which revises the treatment of DIC, pension, and compensation applications.

Section 301 of the bill proposes a badly needed change in the formula for determining the number of Disabled Veterans Outreach Program specialists. Instead of basing the number of DVOPs on the Vietnam era veterans population, it would base the number on both Vietnam era and post Vietnam era veterans. NCOA fully supports this change but to make it really meaningful Congress must provide and the Department of Labor must fully fund DVOP positions.

Section 302 also makes a necessary and long overdue change in the definition of veterans eligible for services by repealing the service dates contained in law. This change also has the Association's full support.

S. 2515

Mr. Chairman, NCOA is also pleased to support S. 2515 the Veterans' Employment and Training Act of 1992. The proposal is basically a revised and expanded version of the Veterans Job Training Act developed during the recession years of the 1980s.

If enacted the bill would allow veterans to accept training positions with companies leading to permanent employment. Such training could last from six months to two years. Veterans enrolled in such training could receive up to \$1,500 in assistance to pay for tools, special clothing, community expenses, child day-care, etc., associated with employment.

Employers could receive half the veterans' salary up to \$5,000 during the training period. In addition employers would be reimbursed up to \$3,000 in worksite modification expenses made to accommodate disabled veterans.

NCOA's only major objection to the act is contained in the eligibility restrictions set forth in Section 5. Mr. Chairman, veterans are often forced to accept menial and unskilled employment as an intermediate step to gaining career employment. Why should a veteran have to give-up such employment for ten weeks in order to enter a training position career employment? It makes little sense to NCOA to place such restrictions on a program designed to assist veterans. It is as though veterans must be submitted to the indignity of underemployment, unemployment, public assistance and potential homelessness in order to become worthy of job training assistance. Certainly, if there must be a "test" of worthiness or need for job training necessary, some better measure can be found. Until that time, NCOA recommends such restrictions be removed from the bill.

EDUCATION

Mr. Chairman, in earlier testimony before the committee NCOA recommended several improvements in the Montgomery G.I. Bill. Among them was the recommendation that servicemembers who accept Voluntary Separation Incentives and special Voluntary Separation Bonuses be allowed to enroll in the MGIB at separation. While such discharges are voluntary they are frequently accepted with the knowledge that careers will be cut-short by impending force reductions. Allowing these veterans to go to school with the help of the Montgomery G.I. Bill could help allevi-

ate employment problems and assist in building a new generation of college graduate veterans able to assume leadership roles in society.

NCOA further urges the committee to give full consideration to the other recommendations for education program improvements made in our earlier statement. Thank you.

STATEMENT OF MAJ. GEN. EVAN L. HULTMAN, AUS (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee, thank you for providing this opportunity to represent the many men and women from all of the uniformed services who are members of the Reserve Officers Association (ROA).

ROA would like to thank this Committee for the actions that it has taken in the past in providing educational opportunities for our military personnel, both active and reserve, and we appreciate having the opportunity today to comment on proposed legislative changes affecting veterans' education benefits.

As you know, ROA worked with many of you to make the Montgomery GI Bill legislation a reality. We supported the test program and then worked in support of legislation to make the Montgomery GI Bill permanent legislation.

With the passage of time there has been an erosion in the purchasing power of the Montgomery GI Bill basic monthly benefits, and we are pleased to note that S. 2647 increases the Montgomery GI Bill basic monthly benefit for active duty service members from \$350 to \$450 and the basic monthly benefit for Reservists from \$170 to \$200—with proportional increases for part-time study in both cases.

We are also pleased to note that this legislation will permit Reservists to pursue graduate training under the Montgomery GI Bill. We believe that this would be an incentive to attract and retain college graduates into reserve programs.

And third, we are pleased to see that this legislation will permit Reservists to receive tutorial assistance under the Montgomery GI Bill.

In summary, we are pleased that the Committee is considering the impact of rapidly rising education costs and the need to increase educational assistance under the Montgomery GI Bill to maintain the value of the benefit. The assistance provided by the Montgomery GI Bill was established several years ago and since its establishment education costs have increased at a rate that far exceeds the increases of most other elements of our economy. To be an incentive to attract and retain qualified persons in the military, the educational assistance must have real or perceived value. The value of the Montgomery GI Bill benefits may be eroding so quickly that they no longer provide the incentive intended. S. 2647 addresses ROA's concern in this area, and we hope to see it enacted into law in the near future.

Thank you for the opportunity to present ROA's views. Your continued support of the men and women who are wearing and who have worn the uniform of our country, both active and reserve, is deeply appreciated.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO AMVETS AND THE RESPONSES

Question 1. What are the relative merits of a \$1,500 expense benefit compared to a potential overpayment and the cost of collection?

Answer. It is doubtful that a veteran offered training that would provide potential long-term employment would purposely enroll to defraud the government of \$1,500. AMVETS suggests the cost of collecting from those who do not complete training would in many cases exceed the indebtedness. To minimize the potential for abuse, AMVETS suggests an initial payment sufficient to cover costs of uniforms/equipment/childcare etc., with periodic payments made to the veteran over the remaining training time. The employer requesting certification should estimate typical costs to the trainee as part of the certification application. This will also help inform potential trainees of the true costs to be incurred during training.

Question 2. What employer rights did AMVETS allude to in testimony?

Answer. AMVETS feels that employers should have the right to appeal to the Secretary for reconsideration of denial of certification; to discharge a trainee for non-performance (subject to administrative review upon the request of the veteran); to terminate training because of changing business conditions (such termination would not incur a liability on the part of the veteran and would be subject to administrative review and collection where appropriate).

Question 3. What are AMVETS' views on S. 2231?

Answer. AMVETS generally supports the provisions to increase the level of assistance to veterans students. We are concerned about the transition since S. 2231 has many far-reaching implications, such as effectively replacing the Montgomery GI Bill. We suggest that an informal staff/VSO meeting should be devoted to a detailed discussion of the draft.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE DEPARTMENT OF VETERANS AFFAIRS AND THE RESPONSES

Question 1. Regarding the proposed "Veterans' Employment and Training Act of 1992," S. 2515, the National Association of State Approving Agencies, in its prepared statement, recommended that responsibility for employer eligibility and program approval be assigned to State Approving Agencies (SAAs). What, if any, role do you think SAAs should play under the veterans' employment and training program in S. 2515?

Answer. Given the unique requirements of this program, we do not believe that SAAs should be given approval responsibilities for it. However, if the approvals are accomplished by DOL, we think they should be modeled after the approval process contained in title 38, United States Code. We do see a significant role for SAAs in the conduct of oversight activities relative to the program.

Question 2. AMVETS, in its prepared statement, recommended that extensions be available in cases where a veteran's disability limits the speed at which he or she can complete the training. Do you believe that a possible extension beyond the two years provided for in S. 2515 would be desirable?

Answer. We would have no objection to the bill being amended to allow for such extensions. However, we believe the better course would be to provide for extensions for the disabled through regulation. Our administrative experience under other programs provides us with the expertise to determine under what circumstances and for what periods of time such extensions would be optimally feasible as well as being in the best interests of the veteran concerned and the proper administration of the program.

Question 3. In your prepared statement, you stated that military recruitment and retention purposes have become the primary orientation of the Montgomery GI Bill. I am aware of no basis for that statement. The purposes of the GI Bill are stated, as a matter of law, in section 3001 of title 38. Only two of the six stated purposes relate to recruitment and retention. The other four relate to assisting veterans to readjust to civilian life, making higher education available to some who would not be able to afford it, providing for vocational readjustment and restoring lost educational opportunities, and enhancing our Nation's competitiveness. Don't you agree that an increase in GI Bill benefits can help further those purposes?

Answer. In our statement with regard to the recruitment/retention purposes of the Montgomery GI Bill (MGIB), I did not intend to devalue in any way the other statutory purposes of the MGIB. Of course, which purposes are primary and which are secondary are matters for opinion, debate and discussion. It is our view that, as matters have evolved, it does seem that recruitment and retention have taken on greater importance with this bill than with prior GI Bills. Part of the reason for this phenomenon is the fact that all of the enlistees in today's Armed Forces are volunteers. As such, the education benefits payable under the MGIB have come to be perceived as inducements to enlistment to a greater extent than for any other GI Bill.

Question 4. The National Association of Veterans Program Administrators (NAVPA) recommended an increase in the amount of reporting fees paid to educational institutions on an annual basis. In its prepared statement, they suggested that a census date after October 31 would be fairer and would significantly reduce the amount of time required by both VA and institutions of higher learning staff to amend the list and issue second (and sometimes even more) checks. Do you agree that changing the census date to November 30 would be fairer? Would it likely result in the payment of larger amounts of reporting fees?

Answer. Historically, we have found that, for most schools, October is the peak enrollment month. As it stands now, payments made to schools based on October enrollments are processed in December for payment to schools in January. If payments were to be made based upon November enrollments, processing would not take place until January and schools would not receive payment until sometime after January. The law requires that payment be made to schools as soon as feasible after the end of the calendar year for which it is applicable.

There is an alternative for those schools which do have higher enrollments in November. The law specifies that if the number of eligible enrollees on October 31

varies more than 15 percent from the peak enrollment during the calendar year, a school may request another date as being more representative of the peak enrollment for that school. To the extent that a date other than October 31 represents the peak enrollment, payments of reporting fees would necessarily be higher for that date.

Question 5. NAVPA, in its prepared statement, recommended that Congress authorize an on-going commission to assess VA education policy. What is your opinion on this recommendation?

Answer. We do not agree with this recommendation. The Commission was established to accomplish specific tasks and make recommendations. They have completed their work. We believe the Secretary's Educational Assistance Advisory Committee is the group which should do any further development of the issues identified by the Commission.

Question 6. NAVPA, in its prepared statement, stated that, if advance payments must be reduced, it recommends that work-study students be allowed an advance payment for the first 50 hours of their work-study contracts in order to help defray expenses incurred at the beginning of a term. Is this an unreasonable compromise? To what extent would this recommendation avoid the overpayments being experienced under current law?

Answer. VA has for many years recommended that the provision for advance payment in the work-study allowance program be eliminated.

The advance payment requirement is an administrative burden for both the Veterans Services and Finance Divisions at field stations. The advance payment requirement creates overpayments. The reality of the work-study allowance program is that some students sign a work-study agreement, receive the advance pay, and do not report for the assigned work. An additional administrative burden is created in collecting the overpayment.

Providing an advance payment is not common sense. Payments should be made for work performed, not for the prospect of work to be accomplished later. We are not aware of any other government or private program providing for payment in advance for work to be performed.

Overpayments in the work-study allowance program due to the advance payment provision have been a problem since the onset of the program, and we reaffirm our recommendation that the advance payment requirement be eliminated. The proposal that advance payments be allowed for the first 50 hours of a work-study contract is not a reasonable compromise.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE DISABLED AMERICAN VETERANS AND THE RESPONSES

Question 1. Section 9 of S. 2515 provides for an employee training benefit of up to \$1,500 to assist in defraying work-related expenses. If training is terminated prior to the scheduled date of program completion, an overpayment will be assessed. How does the benefit of this \$1,500 employee payment compare with the risk of creating a federal liability for veterans who might not complete their training program and for creating an administrative expense for the government?

Answer. It is our understanding that this training allowance is to be used only to defray work-related expenses. Accordingly, not every participating veteran will be in need of, or eligible for, this training benefit. In our prepared statement, we commented on this section and believe, as stated, that "... we have seen in the past where the only thing obstructing the veteran from obtaining employment was the inability to obtain work-related equipment, such as tools, or the inability to obtain necessary transportation ... in the case of single parents, child care is a major obstacle to meaningful employment."

If this section is implemented properly and appropriate counseling is provided, we believe the number of participating individuals who may terminate their training program before completion will be minimal. In the event such termination does take place, we believe the veteran will still be better equipped to pursue an occupation, particularly in the instance where tools or other work-related equipment has been provided. We believe the benefit from this section far outweighs any potential problem.

Question 2A. In your testimony at the May 13, 1992 hearing, you suggested that people with up to six months of military service left be allowed to enter a job training program under S. 2515.

Answer. The needs of the military must be weighed in considering who is available to begin training as early as six months prior to separation. Many individuals

are in "holding companies" waiting just for discharge and provide no meaningful contributions to the unit. This may be particularly true for the disabled service member who is in a medical hold company pending a medical or physical evaluation board and subsequent discharge. Discretion needs to be used. In those cases where the service member is not substantially contributing to the mission of the unit, he or she should be permitted to participate full-time in a retraining program. In other instances, it may require the service member to split the forty hour workweek with retraining and services to the assigned unit. We believe the number of individuals that would participate in this early training would be minimal and again we believe the benefits of early training will far outweigh any detriment to the unit.

Question 2B. Should individuals be permitted to receive both full military pay and their wages under the training program?

Answer. The individuals should not be permitted to receive both full military pay and their wages under the training program. They should, however, be entitled to any expenses to help defray the cost of work-related expenses identified under Section 9 of S. 2515.

Question 3. Please provide your views on S. 2231, a proposed "Desert Storm Servicepersons Readjustment Act of 1992."

Answer. The DAV has no official position on S. 2231, but does not oppose its enactment.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE NEW YORK STATE DEPARTMENT OF LABOR AND THE RESPONSES

Question 1A. Regarding the proposed "Veterans' Employment and Training Act of 1992," S. 2515, what do you see as the proper relationship between the Transition Assistance Program and the Veterans' Employment and Training Program, particularly with regard to counseling and the use of your resources?

Answer. We recommend that the proposed "Veterans' Employment and Training Act of 1992" (S. 2515) be modified to ensure that men and women within 180 days of separation from the military be (a) eligible for immediate certification as eligible participants in the Veterans Job Training Act (VJTA), that they may concentrate on finding an appropriate on-the-job training program even before their separation date; and, (b) that a briefing on the Veterans Job Training Act be mandated as an important part of the Transition Assistance Program/Disabled Transition Assistance Program classes by the United States Department of Labor, Veterans' Employment and Training Service (USDOL, VETS); and, (c) that USDOL, VETS and the State Employment Security Agencies furnish a list of key contacts in each state on VJTA to separating military personnel through the means of Transition Assistance Program (TAP) class briefings, information listed on the Interstate Job Bank, and other reasonable means instituted by the Secretary of Defense, the Secretary of Labor, and the State Employment Security Agencies. This would assist in ensuring the smoothest possible transition of separating veterans to productive roles in civilian society. What we have learned through experience is that the earlier our staff in the State Employment Security Agencies see separation veterans, the more successful we are in assisting them to pursue civilian work careers. There is nothing to be lost and much to be gained by making these men and women eligible and certifying them for this program prior to separation.

The provision of Transition Assistance Program (TAP) by the staff of the State Employment Security Agencies (SESAs) is an endeavor to which we in the SESAs, and certainly here in New York, are committed to doing in the most effective possible manner. Public Law 101-510, which mandated the provision of employment and training assistance to separating military personnel, authorized up to \$9 million per year to the U.S. Department of Labor (USDOL) to carry out this activity. However, USDOL only asked for approximately \$2 million of the funding authorized, and did not transfer any of these funds to the State Employment Security Agencies (SESAs) to fund the staff members actually delivering the services to separating military personnel. The New York State Department of Labor is committed to providing the best possible service to all the men and women who served our country who are separating at military sites in New York State, 90% of who will locate in other states. However, because USDOL has not made the congressionally authorized funds available to us, we have been placed in the difficult situation of choosing between our duty as Americans and our responsibilities as State officials by diverting staff resources to TAP who would otherwise be serving New York residents who are veterans.

While we have confidence that we can provide even more quality services such as vocational testing, vocational counseling and guidance services to these men and women, we must have the resources to do the job properly without neglecting other veterans toward whom we also have responsibilities. We must have more resources to properly handle the additional TAP responsibilities.

Question 1B. What modification, if any, of S. 2515 would be necessary to accomplish the relationship you have described?

Answer. The modification of S. 2515 necessary to accomplish this relationship would be in Section 5 under "Eligibility of Veterans for Participation in Job Training Programs." The crux of the problem, however valuable the above described change in S. 2515 would be, still lies with your colleagues in the Appropriations Committees and their commitment to provide the necessary resources to get the job done.

Question 2A. S. 2647 proposes a change in the DVOP formula that would yield about twenty more DVOPs nationwide than the current formula. If the DVOP and LVER programs were fully funded, would you have sufficient resources to meet your existing statutory responsibilities to veterans, handle your expanding duties with regard to the Transition Assistance Program, and also provide timely service under the new Veterans' Employment and Training Program?

Answer. If the DVOP and LVER program were fully funded under the proposed new allocation formula in S. 2647, New York State would be authorized 114 DVOP positions as opposed to the 104 currently authorized, still leaving us short on the resources needed to meet all existing obligations under Chapter 41, Title 38, United States Code, and properly do TAP classes, and also ensure that we provide timely services in the new Veterans' Employment and Training Program in a quality manner. First, the assumption of full-funding of the DVOP and LVER grants is no longer an assumption we can make, based on the experience of the last two years. Second, we need the funding of approximately \$350,000 to \$400,000 over and above full funding for the above mentioned 114 authorized DVOP positions to carry out our TAP responsibilities. Third, while we testified on May 13, 1992 that 7% administrative overhead might be adequate for NYSDOL to administer this program, this is the adequate bare minimum to provide the basic services. Fifteen to twenty percent administrative/programmatic overhead would be more appropriate and commensurate with other Federal grants received from the U.S. Department of Labor that are administered by our Department. While we applaud the intent to ensure that as many veterans as possible are assisted by any authorized and funded program, it is important that the resources needed to support staff to process certifications, design and monitor training programs, and provide proper support services to participating veterans be acknowledged in the design of the program. We are certain that you share our concern that we not design a program that does not succeed for individual veterans because inadequate support services were provided.

Question 2B(i). What do you estimate the processing times would be for a veteran's eligibility certification and the approval of an employer's training program?

Answer. The processing of a veteran's eligibility certificate would be less than ten days, and in many cases the same day, if the veteran has a valid "clean" copy of their DD 214. The processing of the approval of an employer training program should take us 10-60 days, depending on the volume of the traffic at that office for these services and the degree of sophistication of that particular training program. Finally, in what we believe that this is one of the most important aspects, unless we ensure that this is a bona fide training program that will train the veteran participant in a marketable set of skills, then we would only be "buying jobs" for veterans that don't truly assist them to succeed in a competitive job market in the future.

Question 2B(ii). What would be the average waiting time for a counseling session?

Answer. The average waiting time for a vocational guidance session with an experienced DVOP or LVER would usually be no more than one day. The waiting time to take the General Aptitude Test Battery and receive vocational guidance from a master's degree level employment counselor would, in most cases, be less than two weeks. In some locations, such as New York City, we can do this within 2-3 days.

Question 3. Nearly 60 percent of veterans who participated in the old VJTA did not complete their training programs. Reasons for non-completion included employer lay-offs or firings and voluntary termination by the veterans. What amendments to S. 2515 would you suggest that might increase the training program completion rate for participating veterans?

Answer. Our belief is that there are several key elements to a successful on-the-job (OJT) training program. First, as noted in recent training sessions on behalf of the United States Conference of Mayors and the National Association of Counties, a high-quality OJT program is focused on the individual and is viewed as an occupa-

tional skill training program and not as a job placement program. Secondly, it is important that there be proper assessment and proper intensive supportive services to the veteran participant as needed to enable the veteran to choose a proper training program and to be able to overcome any impediments that might interfere with him or her successfully completing the skills training program. In this regard, the OJT program should not be for a job in an occupation for which the participant already possesses all or most of the required skills. Third, it is important that there be a proper occupational analysis of the work to be performed, ascertaining the skills needed and the forecast of the market demand/wages for those skills to ensure that we are truly training our veterans for jobs that will be there in the future and will command a decent wage. Fourth, there must be a good match between the needs, interests, skills and sensible limitations of the veteran participant and the training program, as well as the employer/trainer. Fifth, there must be a realistic and meaningful program of training which is adhered to by both the veteran participant and the employer/trainer. Sixth, there must be a supportive case manager who helps resolve any difficulties of the veteran participant or of the employer/trainer to keep the program on course, doing what needs to be done to achieve successful completion.

At the New York State Department of Labor we have experience in doing all of the above activities, and in doing them well. As to any change in S. 2515 to accomplish the above, we would suggest that you emphasize the occupational skills training aspects of the program to a greater degree than the job placement aspects. We believe that it is the committee's intent to help provide veterans with marketable skills for the future and not just have a job for the moment. An increased emphasis in both the Committee Report and the actual legislation on skills training, proper assessment of the individual, good occupational analysis of the job skills needed and to be acquired, and intensive case management will all increase the completion rate. We also believe that a stronger emphasis on linkages with apprenticeship programs, apprenticeable occupations, and apprentice-like programs will help accomplish all of the above and lead to a significantly better successful completion rate.

Lastly, we must again emphasize the need to address both the authorized and the actual level of resources available to the State Employment Security Agencies to accomplish all of the above. We will need both full funding of the DVOP/LVER funding and 15-20% in staff funding or administrative/programmatic overhead to successfully implement this program. We urge you to specifically write in the State Employment Security Agencies to ensure that those performing the actual services to veteran participants receive the funding.

Question 4. We are concerned that any employer job training program be in a field that will assure as strongly as possible "stable, long-term employment." Can you offer any suggestions for defining types of employment that would be "stable, long-term?"

Answer. The nature of both the national and New York's job market have changed so dramatically in the last few years that there are far fewer guarantees as to what field of employment is likely to provide "stable, long-term employment." We are seeing veterans today who have never been unemployed in the last 20-25 years who have stable work and personal histories, yet find much difficulty in securing similar stable job opportunities in the changing labor market. The high veteran unemployment rate is being driven not only by the persistent recession, but also by a concurrent re-structuring of individual companies, particular industries (such as manufacturing), and of the shape and nature of our economy.

However, even in light of this reservation, it is still possible to take steps to define what is likely to be a set of marketable occupational skills in which to train an individual veteran participant. Our Department has an experienced Research and Statistics section that works closely with our Occupational Analysts stationed in each of our ten regions in New York State. As we have stated elsewhere, we believe that good occupational analysis is essential to developing potentially successful on-the-job training programs. We also regularly compile and analyze Labor Market Information that helps us and our customers better understand the shape and direction of the job market in each of the labor market areas in our State. Most states have a similar system to serve their own job seekers and employers.

The key to achieving what we believe you desire is that the Veterans' Employment and Training Act of 1992 focus on the training in occupational skills to be acquired by the individual veteran participant. If the training program actually focuses on the acquisition of additional marketable skills that can be utilized in a number of trades (i.e., the training is not merely job specific training and orientation offered to only employee, whether an OJT participant or not), then the future prospects are much better.

Once again, we suggest that you strengthen the proposed linkage with apprenticeship occupations, as these are more likely to be stable fields of employment and truly substantive occupational skills training programs.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE PARALYZED VETERANS OF AMERICA AND THE RESPONSES

Question 1. Section 9 of S. 2515 provides for an employee training benefit of up to \$1,500 to assist in defraying work-related expenses. If training is terminated prior to the scheduled date of program completion, an overpayment will be assessed. How does the benefit of this \$1,500 employee payment compare with the risk of creating a Federal liability for veterans who might not complete their training program and for creating an administrative expense for the government?

Answer. Frequently, potential participants who are not provided training benefits such as the \$1,500 are unable to muster resources necessary to clear prior obligations or pay for necessary preparatory measures such as transportation, special clothing, tools/equipment and child care if needed. Consequently, potential participants are financially deterred from enrolling in a program of this nature.

PVA believes that the loss of monies attributable to individuals who terminate training prior to the scheduled date of program completion, in spite of advanced payment, will be negligible, especially when compared to the advantages gained by individuals who would not otherwise be able to participate due to financial restraints.

Question 2. Please provide your views on S. 2231, the proposed "Desert Storm Servicepersons' Readjustment Act of 1992."

Answer. PVA supports this initiative which assist members of the armed forces to adjust to civilian life after their separation from military service. This initiative will assist young men and women in obtaining education they might not otherwise be able to afford, and promotes and assists the all-volunteer military program of the United States by attracting qualified men and women to serve in the armed forces.

PVA supports providing counseling services, training and educational opportunities to the nation's veterans and disabled veterans. These services have proven to be a beneficial program for the government, the private sector and especially for the disadvantaged individual needing assistance in education and job placement. Today, these programs are no less important and continue as one of the most significant benefits available to our returning heroes from Operation Desert Shield/Storm.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION AND THE RESPONSES

Question 1A. Regarding the proposed "Veterans' Employment and Training Act of 1992," S. 2515, what do you see as the proper relationship between the Transition Assistance Program and the Veterans' Employment and Training Program, particularly with regard to counseling and the use of your resources?

Answer. There is a direct relationship between the Transition Assistance Program and the Veterans' Employment and Training Program with regards to counseling and the use of our resources. Counseling is an integral part of the three day Transition Assistance Program (TAP) Workshop conducted monthly at each of the seven TAP sites in South Carolina. These workshops are designed to help our soon-to-be veterans (within 80 days) make good decisions as they move from the military to civilian life. The information they receive has proved to be invaluable in the areas of:

- Personal Appraisal (analyzing skills/experience)
- Career Decisions (needs and goals)
- Interviews (the process)
- Applying for Jobs (skills necessary for job search)
- Job Offers (evaluation and response)
- Support and Assistance (veteran's benefits)

In summary, this program of employment assistance is built upon a system of job assistance training and counseling that is supported by a wide range of automated and non-automated job search tools and sources of information.

Our job service office personnel are part of the transition workshop team and every month conduct training and provide information to the transition participants as part of the program. The LVERs and DVOPs are an extension of the State's Job Service Offices (2,300 in the nation) and are well trained to provide:

- Job Search Training

Individual Assistance and Counseling
 Resume Writing Workshops
 Job Interview Technique Session
 Referrals
 Job Placement

The formula as stated in Title 38, Section 4103(A) for DVOP and Section 4104(a)(1) for LVER is adequate to address the employment needs of veterans and disabled veterans, if fully funded. However, since the establishment of the formula in Title 38, the Transition Assistance Program has been added and now a new requirement (S. 2515).

Eight LVERs/DVOPs currently assist the seven installations in South Carolina in conducting a minimum of seven TAP workshops 4104, funding for LVERs and DVOPs are made available to support veterans based on a percentage of veterans served. LVERs/DVOPs have specific functional responsibilities to veterans already located in the state. Public Law 101-510, Chapter 58 (1144) provides for the use of DVOPs and LVERs to the extent that such use will not significantly interfere with the provision of service or other benefits to eligible veterans or other eligible persons. In order to carry out the mandate of Title 38 and Public Law 101-510, the formula for determining LVERs and DVOPs should be modified to support additional DVOPs and LVERs to be assigned to the Job Service offices where there are military installations. This would provide the LVERs and DVOPs to carry out the TAP program as well as maintain the requirements of Title 38. Also, some funds need to be made available to take care of day-to-day transition assistance operating cost and travel. In summary, funding for additional DVOPs and LVERs plus an operations budget is required to support TAP and S. 2515.

Question 1B. What modification, if any, of S. 2515 would be necessary to accomplish the relationship you have described?

Answer. (1) Section 13 of S. 2515 "Veterans' Employment and Training Act of 1992" should be amended to require all eligible veterans to participate in counseling and case management services relating to the development of any job-readiness skills.

(2) The formula needs to be modified so that an additional LVER and DVOP would be assigned to each local Job Service Office in an area with a military installation that is involved in TAP. In South Carolina, there are seven military installations that are involved in the TAP Program. All of these programs are getting more popular with those servicemembers and their families who are to be released from the military. Because of this growing popularity, additional DVOP and LVER positions will be necessary. Due to the downsizing of the military, more veterans will be entering the job market (S. 2515). Therefore, additional LVERs and DVOPs will be needed to serve this increased number of veterans.

Question 2A. S. 2647 proposes a change in the DVOP formula that would yield about twenty more DVOPs nationwide than the current formula. If the DVOP and LVER programs were fully funded, would you have sufficient resources to meet your existing statutory responsibilities to veterans, handle your expanding duties with regard to the Transition Assistance Program, and also provide timely service under the Veterans' Employment and Training Program?

Answer. If the DVOP and LVER programs were fully funded, we would have sufficient resources to meet the existing statutory responsibilities to veterans. However, additional DVOP and LVER staff would be necessary to handle the expanding duties with regard to the Transition Assistance Program and to provide timely service under the new Veterans' Employment and Training Program. States with TAP sites require additional LVER/DVOP personnel to satisfy the requirement of Public Law 101-510 without violating Title 38 (LVER/DVOP responsibilities). One additional LVER and one DVOP per TAP site is necessary to satisfy the total veteran requirement (veterans training and services for current, future and TAP programs).

This should also alleviate the requirement for the U.S. Department of Labor facilitator contract currently used in some states to support TAP. Additionally, a review of the U.S. Army Job Assistance Center contract is in order. The National Employment Security Agency System would be more cost effective.

Question 2B(i). What do you estimate the processing times would be for a veteran's eligibility certification and the approval of an employer's training program?

Answer. There is no way to accurately estimate the processing times for a veteran's eligibility certification and the approval of an employer's training program without first knowing the guidelines of the certification and approval of training programs.

However, we do believe we can minimize the time required to become "certified" as an eligible veteran or employer by utilizing the lessons learned from the previous EVJTA and from TAP.

A full partnership must be enjoined between DOL, DVA, DOD, the SESAs and the private sector. The Department of Labor should have full responsibility for implementing the hands-on provisions of this bill to include responsibility for dispersing payments to veterans and employers under this act. This will assure processing times to be minimal and will assist in executing a successful program.

Question 2B(ii). What would be the average waiting time for a counseling session?

Answer. Under the current policy for counseling, veterans are given priority so there is not waiting time for counseling. However, based on the additional counseling that will be required under the new Veteran's Employment and Training Program, this might cause some minimal waiting period.

Question 3. Nearly 60 percent of veterans who participated in the old VJTA did not complete their training programs. Reasons for noncompletion include employer layoffs or firings and voluntary termination by the veterans. What amendments to S. 2515 would you suggest that might increase the training program completion rate for participating veterans?

Answer. To compare this proposed legislation to the EVJTA to the 1983 Act is a mistake. First, one must remember the mood of the country in 1983 as compared to 1992. Second, the EVJTA was limited to Korean conflict and Vietnam-era veterans only, not for all veterans. Funds for the EVJTA were limited. This uncertain financial issue raised questions about the program's viability and created a creditability question with employers and veterans.

It is true that 38% of the veterans who participated in the VJTA successfully completed their job training program. This means 22,260 veterans successfully completed their training and were employed; but 61,227 secured employment under the program. Some were offered better jobs than the one they were being trained to get. According to the statistical formula used, they were considered "program dropouts." We must conclude that the various analysis of the information compiled resulted in no significant conclusions regarding the implementation of the program.

We believe, however, the program helped a significant number of unemployed veterans. Some of those veterans would certainly have remained unemployed for a longer period if they had not participated in the VJTA.

This legislation, as proposed, is a good mechanism to assure that employers will keep unemployed veterans employed once trained. It has all the right components:

- Multi-year program with adequate funding for all unemployed veterans
- Incentives for employers and veterans
- Information and outreach service to both employer and veteran
- Case management services to participants
- An evaluation process

Now, all that remains is to assure interagency coordination and we repeat, a full partnership must be enjoined between DOL, DVA, DOD, the state employment agencies and the private sector. The Department of Labor should have full responsibility for implementing the hands-on provisions of this bill to include responsibility for dispersing payments to veterans and employers under this act. This lesson, already learned from the nation's Transition Assistance Program for soon-to-be veterans, will prove more cost effective.

Question 4. We are concerned that any employer job training program be in a field that will assure as strongly as possible "stable, long-term employment." Can you offer any suggestions for defining types of employment that would be stable and long-term?

We don't believe any legislation can "assure stable long-term employment"; however, we do believe this proposed legislation has a good chance of greatly improving the veterans chances of employment. It has all the ingredients necessary to assure success. They are:

- A multi-year program with funding
- Incentives to employers to hire and train veterans
- A good quality control mechanism—an evaluation process that requires close monitoring by Department of Labor for approval of employers job training program is a part of the Act. Also, a quarterly and annual program assessment is required.
- Counseling and case management services to veterans coordinated by DOL and DVA
- Quality veterans who want to work
- Cost effective program

The proposed legislation has all these factors.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE AMERICAN LEGION AND THE RESPONSES

Question 1. Section 9 of S. 2515 provides for an employee training benefit of up to \$1,500 to assist in defraying work-related expenses. If training is terminated prior to the scheduled date of program completion, an overpayment will be assessed. How does the benefit of this \$1,500 employee payment compare with the risk of creating a Federal liability for veterans who might not complete their training program and for creating an administrative expense for the government?

Answer. First, all program participants may not require the entire \$1,500. Secondly, this clearly reflects the need for quality case management. Selecting qualified and motivated applicants for the program and close scrutiny of the work-related expenses will help to curtail abuse of this benefit. Finally, very few participants could afford the "seed" money necessary to participate in such a training program without the help of the federal government.

Question 2. Please provide your views on S. 2231, the proposed "Desert Storm Servicepersons' Readjustment Act of 1992."

Answer. The American Legion strongly supports S. 2231. This proposed measure engulfs all of the Legion's recommendations for a just and fitting readjustment package for all veterans of Operation Desert Shield and Desert Storm. The Reservist and National Guard members federalized and deployed to the Persian Gulf appear to be forgotten heroes of this campaign. Since the Montgomery GI Bill was enacted, there has been only one educational compensation increase (17% in 1991), while the cost of education has increased between 50 to 70 percent over the same period of time. For America to ignore the dedication and sacrifices of this Desert Storm veterans, in terms of educational opportunities compared to other war time veterans of this half-century, is truly inequitable.

WRITTEN QUESTIONS FROM CHAIRMAN CRANSTON TO THE VETERANS OF FOREIGN WARS OF THE UNITED STATES AND THE RESPONSES

Question 1. How does the benefit of section 9, S. 2515 compare with the risk of creating a possible overpayment for a veteran?

Answer. Generally speaking, the VFW is pleased with several innovations proposed in S. 2515, and section 9 is one of the more refreshing of these suggestions.

We firmly believe veterans, particularly those who are single parents, physically disabled, or those entering a specialized work-training program, or who live in a large, urban city, should be given the opportunity to use the added assistance section 9 proposes. In sum, the government must do everything section 9 does to help these veterans. In the final analysis, however, the ability to secure a job lies with the private sector which is profit driven and subjected to the demands of a market that can be as small as a "niche" or large enough to fill an international need.

The VFW was pleased to further note section 9 (e)(2) of this bill which deals with the subject of recovering overpayments. It cites section 5302 of title 38, USC, which is the "waiver clause" under which the veteran may be granted relief provided he did not request the monies we are discussing under fraudulent circumstances, misrepresentation, or bad faith. We believe this is a time-tested and reasonable approach for a governmental agency to deal with any of its citizens. Therefore, we request that section 9 as drafted be retained.

Question 2. VFW views regarding bill S. 2231, the "Desert Storm Serviceperson's Readjustment Act of 1992."

Answer. Generally speaking, the VFW concurs with any legislative proposal to improve the present \$350 monthly educational assistance payments to veterans under the Montgomery GI bill (MGIB). Like all veterans' service organizations we are aware of the fact that a veteran who recently completed 3 or more years on active duty and who participated in the MGIB will now receive only about 42 percent of the average cost of a college education. While inflation was an important factor in the price of education, which includes the costs of tuition, text books, lab fees, and room and board where applicable, the VFW also recognizes that this law was far less generous than the educational program it succeeded which allowed two generations of older veterans to receive more generous and therefore more effective educational assistance.

The overall thrust of S. 2231, as the VFW understands it, is to create a chapter 44 of title 38, USC, entitled "Persian Gulf War Education Assistance Program." The primary advantage is to increase the level of educational benefits for Persian Gulf War era veterans to \$777 per month from the previously cited \$350. Veterans would

not be required to contribute to this benefit and the proposed bill would apply solely to the Persian Gulf era veteran.

The implied source of monies to pay for this enhancement is from the peace dividend that failed to materialize in the FY 1993 federal appropriation process cycle.

However, the VFW believes there are advantages to the requirement of having active duty members continue to contribute, to some degree, to their own future education. We also prefer to have all veterans receive the increased monthly entitlement rather than to limit it to only veterans of a specific period or place of hostility. The advantage to this suggestion is that a uniformly enhanced educational benefit will support DOD's ongoing efforts to maintain a highly motivated, intelligent, but smaller armed forces at the same time that the department is reducing its overall manpower strength.

Since bill S. 2231 was introduced on February 19, several other similar proposals have been introduced, to include the most recent May 7 bipartisan effort. This consists of H.R. 5097, introduced by Chairman Montgomery, and S. 2672, introduced by minority leader Dole, along with Senator Simpson. The primary advantages to this chapter 44 of title 38, USC, entitled "Veterans' Job Training" is to broaden eligibility to include post-Persian Gulf veterans, to provide a greater opportunity to obtain a home loan, to be given preference in the Job Training Partnership Program, and to increase the MGIB benefit "in an affordable manner." A unique advantage to this bill is the fact that it supplements much of the ongoing transition assistance program (TAP) efforts.

Based on the above considerations, the VFW would prefer to have the funding for educational assistance suggested in S. 2231 applied in the appropriate part of companion bills H.R. 5087 and S. 2672.



ISBN 0-16-039531-3



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